I. Name, Title, Contact Number and Email of Spokesperson and Deputy Spokesperson

Spokesperson: Iven Wei **Title:** Chief Operating Officer
TEL: (08)787-1888
Email: IR@dawushan.com.tw

Deputy Spokesperson: Shang-Chiang Wei **Title:** President
TEL: (08)787-1888
Email: IR@dawushan.com.tw

II. Addresses and Phone Numbers of Headquarters, Branches, and Factories

Headquarters Address: No. 68-30, Pingshan Road, Wanlong Village, Xinpi Township, Pingtung County
TEL: (08)787-1888

Dawushan Layer Farm with Washing and Grading Facility Address: No. 68-30, Pingshan Road, Wanlong Village, Xinpi Township, Pingtung County
TEL: (08)787-1888

Dawushan Layer Farm First Branch: No. 68-27, Pingshan Road, Wanlong Village, Xinpi Township, Pingtung County
TEL: (08)787-1888

Dawushan Layer Farm Second Branch: No. 90, Pingshan Road, Wanlong Village, Xinpi Township, Pingtung County
TEL: (08)787-1888

Dawushan Pullet Farm: No. 3-36, Zhongshan Road, Wanlong Village, Xinpi Township, Pingtung County
TEL: (08)787-1666

TienTiJen Egg Farm: No. 100, Lane 135, Section 1, Guanxin Road, Xiahu Village, Guanmiao District, Tainan City
TEL: (06)596-0988

ChengHao Livestock Farm: No. 61-160, Zhongxing, Xinghua Village, Mailiao Township, Yunlin County
TEL: (08)787-1888

III. Name, address, website, and telephone number of the stock transfer agent

Stock Transfer Agent: KGI Securities Co., Ltd. Stock Affairs Department
Address: 5F, No. 2, Section 1, Chongqing South Road, Zhongzheng District, Taipei City No. 68-30, Pingshan Road, Neighborhood 4, Wanlong Village, Xinpi Township, Pingtung County
Website: https：//www.KGI.com.tw **TEL:** (02)2389-2999

IV. Name, accounting firm, address, website, and telephone number of the certified public accountant who audited the most recent annual financial report

Certified Public Accountants: Jen-Yao Hsieh, Ling-Wen Huang **Accounting Firm:** Crowe (TW) CPAs
Address: 27F-1, No. 6, Siwei 3rd Road, Lingya District, Kaohsiung City
Website: https：//www.crowe.com/tw **TEL:** (07)331-2133

V. Name of trading venues where overseas securities are listed and methods for obtaining information about these overseas securities: None.

VI. Company Website: https：//www.dawushan.com.tw/

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Chapter 1 Letter to Shareholders

Dear Shareholders:

Over the past year, the world has faced challenges from extreme weather conditions, which led to decreased egg production in many countries, affecting our operations and raw material costs, resulting in frequent changes in the economic environment.

Looking back at the Company's performance in 2024, the consolidated operating revenue reached NT$1,218,844 thousand, an increase of NT$70,015 thousand compared to NT$1,148,829 thousand in 2023, which was mainly attributed to the improvement in egg production rate. Despite the significant drop in egg prices due to supply and demand imbalance, our overall performance in 2024 still grew due to market expansion and increased demand from major customers, delivering outstanding results compared to our industry peers.

In 2024, our collaboration with Japan's TAMAGO&COMPANY led to the launch of "Happy Fresh Eggs" that meet raw food standards, which have been placed on shelves in multiple distribution channels, highlighting the quality of Dawushan products and our local production philosophy.

The Company's ability to achieve excellent results in this harsh economic environment is due to implementing strict biosecurity measures and introducing high-quality German farming equipment, which has enhanced the automation level of breeding management and ensured the health of chickens and stability of production. In addition, we have also diversified our egg product development, using our own fresh eggs combined with specially selected ingredients to develop various high-quality processed egg products, such as egg rolls, cookies, puddings, and more.

The Company is committed to ESG sustainable development, transforming chicken coop excrement into organic fertilizer through our self-built composting facility, promoting environmentally friendly agriculture, and achieving circular land use.

Looking ahead to 2025, we will continue to build our brand image with high food safety standards, enhancing the confidence of customers and consumers, and looking forward to future growth and development.

1. 2024 Operational Results

(1) Implementation Results of the Business Plan

The Company's consolidated operating revenue for 2024 was NT$1,218,844 thousand, an increase of 6.09% compared to the operating revenue of NT$1,148,829 thousand in 2023, with earnings after tax of NT$1.46 per share.

Items	2024	2023
Operating Revenue	1,218,844	1,148,829
Gross Profit from Operations	366,877	299,629
Operating Expenses	202,621	159,113
Operating Income	134,256	140,516
Net Income After Tax	95,717	72,559

(2) Budget Execution Status: The Company did not prepare a public financial forecast for 2024, but the actual operational situation does not significantly differ from internal planning.

(3) Financial Revenue, Expenditure, and Profitability Analysis

Items		2024	2023
Return on Assets (%)		4.45	3.94
Return on Equity (%)		6.06	6.01
Ratio to Paid-in Capital (%)	Operating Income	19.64	23.13
	Income Before Tax	17.59	16.73
Net Profit Margin (%)		7.85	6.32
Earnings Per Share (NT$)		1.46	1.23

(4) Research and Development Status:

The fresh eggs produced by the Company are all from commercial layer hens produced through long-term proper breeding planning by internationally renowned breeding companies. By following their management manuals, we optimize the environment, feed nutrition, and immunity to exceed the production indicators specified in the management manuals. We have obtained HACCP, CAS, and ISO22000 quality assurance system certifications, with complete control from day-old chicks, ensuring no drug residues and compliance with all food safety and hygiene requirements. We continue to develop and improve feed nutrition control for eggshell quality, disease control, and research and development of various innovative technologies.

2. Summary of Annual Business Plan

(1) Management Policy:

Since its establishment in 2007, the company has operated with the mission of "Carefulness, Conscience, and Food Safety." We have built modern environmentally friendly chicken houses with fully enclosed environmental control mechanisms and fully automated farming production under strict supervision. We have obtained ISO22000, HACCP, and CAS certifications. In the future, the company will focus on farm management, leverage our advantages, increase branded eggs, and deepen our presence in the B2C market. We will develop related processed egg products according to customer needs to improve overall product gross profit margin.

(2) Production and Sales Status

The Company's fresh egg products are sold through major retailers in Taiwan. We independently control our product sales channels, breaking away from traditional egg product distribution systems, and expand our channels with diversified layouts to disperse market risk. In recent years, we have increased our own brand distribution, which has gradually shown results, while also increasing the proportion of animal welfare product lines.

3. Future Company Development Strategy

As the Company has focused on the domestic branded egg market in recent years, its brand awareness has continuously increased. We have successively obtained certifications from well-known domestic and international food manufacturers, major supermarkets, and hypermarkets, securing stable orders. At the same time, we continuously improve egg quality, provide comprehensive services, and maintain stable delivery schedules, thereby establishing a solid customer base. In the future, the Company will continue to expand various niche egg products (such as animal welfare eggs and functional eggs), and deepen customer service to enhance customer loyalty and increase brand value.

Considering the Company's future business growth, in response to the growth of domestic fresh egg demand orders and to enhance competitiveness, in March 2023, we invested in Dawushan Ise Foods Co., Ltd. and planned it as a professional fresh egg washing and grading plant. It will mainly serve as the target for washing, packaging, and cold storage operations for the Company and future partner farms. In addition to increasing revenue and profitability, it will also enhance the flexibility of the Company's operational deployment, helping to expand the market and increase market share. This should bring positive benefits to the future operations of the Company and its subsidiaries, moving towards increasing product value to create better operational efficiency. It is expected to begin operations in the second quarter of 2026.

In March 2025, the Company approved the acquisition of 51% equity in Fu Che Frozen Food Co., Ltd., officially entering the food processing service sector and expanding the group's product portfolio. This sets a new milestone for the Company's goal of becoming Taiwan's largest professional egg product company.

4. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment.

(1) External Competitive Environment

The domestic high-end branded egg market is experiencing supply shortages, and the government is actively promoting the egg washing and grading industry, moving toward "comprehensive washing and grading" development. In the future, eggs will be centrally processed in washing and grading facilities, with a grading system to differentiate quality and price. As competitors implement their investment plans, market competition will become increasingly intense. Therefore, we are collaborating with Japan's TAMAGO&COMPANY to introduce advanced breeding and management technologies, continuously improving our production systems and product development, while expanding into Japanese food service channels.

In addition, we are also strengthening cooperation with animal-friendly farms to gradually increase the proportion of cage-free eggs. At the same time, we are promoting the production and sales of functional eggs, such as lutein-enriched eggs and eggs safe for raw consumption, to enhance product added value, strengthen differentiated marketing strategies, and further expand our operational scale.

(2) Regulatory Environment

With the increased consumer awareness of food safety and rights protection, the government has strengthened food safety regulations, requiring companies to ensure quality in feed production, farming, product testing, and labeling. If national standards are further raised in the future, the company will need to increase investment in quality control and testing, which may increase production costs. To address this, the company has established a Food Safety Department, responsible for feed sampling and composition analysis, reducing the impact of feed ingredients on product safety.

Additionally, egg products will undergo regular testing for veterinary drug residues, pesticide residues, heavy metals, microorganisms, etc., to ensure compliance with health regulations and reduce food safety risks. Through scientific breeding management and nutritional enhancement, the company is committed to producing healthy eggs and employs a fully automated washing and sorting process for precise quality control. We have obtained food safety management system certification to ensure that consumers are provided with safe, hygienic, high-quality fresh eggs, delivering a guarantee of health.

(3) Overall Business Environment

Domestic corn and soybeans are highly dependent on imports, with rising international agricultural product prices driving up feed costs for laying hens. Combined with labor shortages and increased labor costs, businesses face challenges. To ensure stable supply, the company maintains long-term cooperation with raw material suppliers, and improves breeding management efficiency through AI and big data to reduce feed and labor costs, while also introducing smart agricultural technologies, including automated transport systems and intelligent robots.

Poultry diseases such as avian influenza and Newcastle disease pose significant risks, especially since Taiwan is located on migratory bird routes, creating greater pressure for disease prevention. The company adopts fully automated closed water curtain poultry houses, implements strict personnel control, monitors chicken health daily, and employs a professional veterinary team that practices the concept of "preventive medicine," making early adjustments to ensure stable production.

Chairperson:
FENG-CHUN LIN

President:
SHANG-CHIANG WEI

Chapter 2 Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

(I) Director Information

1. Director Information

March 22, 2025; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date of First Appointment	Date of Appointment	Term of Office	Shareholding at the Time of Appointment		Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Work Experience	Current Positions Held in the Company and Other Companies	Managers, Directors, or Supervisors Who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairperson	Republic of China	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	–	June 23 2019	May 17 2023	3	10,228,755	18.60	10,440,316	15.28	–	–	–	–	–	–	–	–	–	–
		Representative: FENG-CHUN LIN	Female 51~60				2,062,503	3.75	2,179,735	3.19	–	–	–	–	Department of Business Administration, Cheng Shiu University Chairperson of Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Chairperson of Dawushan Farm Technology Co., Ltd.	Chairperson of Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Chairperson of Frozen Food Co., Ltd. Chairperson of Ever Light Oil Industrial Co., Ltd. Chairperson of Dawushan Ise Foods Co., Ltd. Chairperson of YingPaiShih International Co., Ltd. Director of HsingChin Foods Co., Ltd. Director of TienHsing Investment Co., Ltd. Director of Spring Breeze Enterprise Co., Ltd. Director of Tai Da Eggs Technology Co., Ltd. Director of Modern Feed Co., Ltd.	Director	Yung-Li Lin	Sister	Note 1

Title	Nationality or Place of Registration	Name	Gender Age	Date of First Appointment	Date of Appointment	Term of Office	Shareholding at the Time of Appointment		Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Work Experience	Current Positions Held in the Company and Other Companies	Managers, Directors, or Supervisors Who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Director of TienMeiWei Foods Co., Ltd. Director of Kuo Hsing Frozen Meat Products Co., Ltd. Director of Kai Shing Food Corp. Supervisor of YuChao International Co., Ltd. Supervisor of TsungYing Transportation Co., Ltd. Supervisor of TsungYu Transportation Co., Ltd.				
Director	Republic of China	TePen Investment Co., Ltd.	–	June 23 2022	May 17 2023	3	1,900,000	3.45	1,995,000	2.92	–	–	–	–	–	–	–	–	–	–
		Representative: SHANG-CHIANG WEI	Male 61~70				1,375,000	2.50	1,443,750	2.11	1,443,750	2.11	–	–	Department of Business Management, Tatung University President of Tai Qin Organism Technology Co., Ltd.	Chairperson of Tai Da Eggs Technology Co., Ltd. Chairperson of JihShang Livestock Products Co., Ltd. Chairperson of Mountain River Livestock Products Co., Ltd. Director of Dawushan Ise Foods Co., Ltd. Chairperson of Dashu Investment Co., Ltd. Supervisor of TePen Investment Co., Ltd.	Chief Operating Officer	Iven Wei	Father and son	Note 1
Director	Republic of China	HsiangCheng Investment Co., Ltd.	–	June 28 2019	May 17 2023	3	17,238,375	31.34	18,222,293	26.66	–	–	–	–	–	–	–	–	–	–
		Representative: YUNG-LI LIN	Female				2,035,000	3.70	2,086,650	3.05	–	–	–	–	Two-Year Program in Mechanical Engineering, Cheng Shiu University Chief Financial Officer of Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Chairperson of HsiangCheng Investment Co., Ltd. Chairperson of HsingChin Foods Co., Ltd. Director of Frozen Food Co., Ltd.	Chairperson	Feng-Chun Lin	Sister	Note 1

Title	Nationality or Place of Registration	Name	Gender Age	Date of First Appointment	Date of Appointment	Term of Office	Shareholding at the Time of Appointment		Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Work Experience	Current Positions Held in the Company and Other Companies	Managers, Directors, or Supervisors Who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Director of Ever Light Oil Industrial Co., Ltd. Director of TienHsing Investment Co., Ltd. Director of Modern Feed Co., Ltd. Director of TienMeiWei Foods Co., Ltd. Director of Kuo Hsing Frozen Meat Products Co., Ltd. Director of Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Supervisor of KueiKai Co., Ltd. Supervisor of HungChun Investment Co., Ltd.				
Independent Director	Republic of China	CHI-HSIUNG LIU	Male	May 17 2023	May 17 2023	3	–	–	–	–	–	–	–	–	Accounting Institute, National Chengchi University Chairperson of ThinFlex Corporation Chairperson of ChangChun Enterprise Management Co., Ltd.	Partner of Horwath Chien Hsing CPAs Chairperson of ShunLai Management Consulting Co., Ltd. Chairperson of ChangChun Biomedical Co., Ltd. Chairperson of ChangChun Hotel Co., Ltd. Chairperson of Wei Nan Green Energy Co., Ltd. Wei Chih Steel Industrial Co., Ltd. Independent Director	–	–	–	–
Independent Director	Republic of China	CHANG-RUEY SHIAU	Male	May 17 2023	May 17 2023	3	–	–	–	–	–	–	–	–	Department of Law, National Chung Hsing University Chairperson of Mega Bills Finance Co., Ltd. President of Taiwan Financial Holding Co., Ltd. and Acting	CEO of the Appacus Foundation	–	–	–	–

Title	Nationality or Place of Registration	Name	Gender Age	Date of First Appointment	Date of Appointment	Term of Office	Shareholding at the Time of Appointment		Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Work Experience	Current Positions Held in the Company and Other Companies	Managers, Directors, or Supervisors Who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
															President of Bank of Taiwan Co., Ltd. Director of the Finance, Budget and Financial Affairs Department, Executive Yuan Chief Secretary of the Financial Supervisory Commission					
Independent Director	Republic of China	SUEY-PING CHI	Male	May 17 2023	May 17 2023	3	—	—	—	—		—	—	—	Ph.D. in Food Science, Mississippi State University, USA Professor, Department of Hospitality Management, Chung Hwa University of Medical Technology Adjunct Professor, Department of Animal Science and Technology, National Taiwan University Adjunct Professor, Department of Food and Nutrition, Fu Jen Catholic University Researcher and Section Chief, Livestock Research Institute, Council of Agriculture, Executive Yuan Specialist in Food Processing Technology, Council of Agriculture, Executive Yuan	—	—	—	—	—

Note 1: Where the Chairperson and President or person of an equivalent post (the highest managerial officer) are the same person, spouses, or relatives within the first degree of kinship, the company should disclose the reason, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors and ensuring that a majority of the directors do not serve concurrently as employees or managerial officers): The Chairperson and President of the Company are not the same person, nor are they spouses or relatives within the first degree of kinship.

2. Major shareholders of corporate shareholders:

Name of corporate shareholder	Major shareholders of corporate shareholder
HsiangCheng Investment Co., Ltd.	Kuo Hsing Poultry & Livestock Feeds Co., Ltd. (100%)
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	YingPaiShih International Co., Ltd. (11.63%), Kuei-Tien Lin (8.00%), KueiKai Co., Ltd. (7.75%), HungChun Investment Co., Ltd. (7.75%), KuoPing Investment Co., Ltd. (7.00%), YuChao International Co., Ltd. (5.38%), Yen-Hua Lin (5.3%), Shang-Chun Lin (5.00%), Kueih-Siung Chen (4.80%), Hung-Yu Chen (3.70%)
TePen Investment Co., Ltd.	Iven Wei (99.67%), Shang-Chiang Wei (0.33%)

3. Major shareholders of corporate entities among the main shareholders:

Name of corporate shareholder	Major shareholders of corporate shareholder
YingPaiShih International Co., Ltd.	Feng-Chun Lin (55.03%), Che-Chen Chang (40.31%), Che-Ming Chang (4.66%)
KueiKai Co., Ltd.	Yung-Li Lin (50.85%), Hsin-Wei Lin (32.41%), Tien-Han Chung (16.74%)
HungChun Investment Co., Ltd.	Yung-Li Lin (43.46%), Tien-Han Chung (37.97%), Hsin-Wei Lin (18.57%)
KuoPing Investment Co., Ltd.	Kuo-Chung Lin (96.89%), Ya-Ping Wang (3.11%)
YuChao International Co., Ltd.	Che-Ming Chang (93.20%), Feng-Chun Lin (6.80%)

4. Disclosure of Professional Qualifications of Directors and Independence Information of Independent Directors:

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual Concurrently Serves as an Independent Director
FENG-CHUN LIN	Graduated from the Department of Business Administration, Cheng Shiu University. Currently serving as the Chairperson of the Company and the Chairperson of Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Does not meet any of the conditions specified in Article 30 of the Company Act.	There is no violation of independence regulations under the Securities and Exchange Act among the directors of the Company.	None
SHANG-CHIANG WEI	Graduated from the Department of Business Management, Tatung University. Previously served as the President of Tai Qin Organism Technology Co., Ltd. Currently serving as the representative of the Company's corporate director and President. Does not meet any of the conditions specified in Article 30 of the Company Act.		None
YUNG-LI LIN	Graduated from the Two-Year Program in Mechanical Engineering, Cheng Shiu University. Previously served as the Chief Financial Officer of Kuo Hsing Poultry & Livestock Feeds Co., Ltd.		None

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual Concurrently Serves as an Independent Director
	Currently serving as the representative of the Company's corporate director. Does not meet any of the conditions specified in Article 30 of the Company Act.		
CHI-HSIUNG LIU	Graduated from the Graduate Institute of Accounting, National Chengchi University. Previously served as a partner at Horwath Chien Hsing CPAs, Chairperson of ThinFlex Corporation, and Chairperson of ChangChun Enterprise Management Co., Ltd. Currently serving as an independent director of the Company. Does not meet any of the conditions specified in Article 30 of the Company Act.	(1) Meets the independence requirements of Article 3, Paragraph 1, Items 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. (2) Has signed a declaration statement confirming that the independent director meets the professional qualification, independence, and concurrent position requirements.	1
CHANG-RUEY SHIAU	Graduated from the Department of Law, National Chung Hsing University. Previously served as Chairperson of Mega Bills Finance Co., Ltd., President of Taiwan Financial Holding Co., Ltd. and Acting President of Bank of Taiwan Co., Ltd., Director-General of the Department of Finance, Budget and Banking of the Executive Yuan, and Chief Secretary of the Financial Supervisory Commission. Currently serving as an independent director of the Company. Does not meet any of the conditions specified in Article 30 of the Company Act.		None
SUEY-PING CHI	Holds a Ph.D. in Food Science from Mississippi State University, USA. Previously served as a full-time professor in the Department of Hospitality Management, Chung Hwa University of Medical Technology; adjunct professor in the Department of Animal Science and Technology, National Taiwan University; adjunct professor in the Department of Food and Nutrition, Fu Jen Catholic University; researcher and division head at the Livestock Research Institute, Council of Agriculture, Executive Yuan; and food processing technology specialist at the Council of Agriculture, Executive Yuan. Currently serving as an independent director of the Company. Does not meet any of the conditions specified in Article 30 of the Company Act.		None

5. Board Independence and Diversity

Board Diversity:

Based on our diversity policy and to strengthen corporate governance and promote the sound development of the Board's composition and structure, the nomination of director candidates follows the candidate nomination system stipulated in the Articles of Incorporation. Each candidate is evaluated based on their educational and professional background, expertise, integrity, and relevant professional qualifications. After approval by resolution of the Board of Directors, candidates are submitted to the shareholders' meeting for election. The composition of the Board of Directors should be considered in a diverse manner, and an appropriate diversity policy should be formulated based on its own operations, business model, and development needs, including but not limited to the following:

Basic conditions and values: gender, age, nationality, and culture, etc.

Professional knowledge and skills: operational judgment capabilities, accounting and financial analysis skills, business management capabilities, crisis management abilities, industry knowledge, international market perspective, leadership capabilities, and decision-making abilities.

The Company's current Board of Directors consists of 6 directors. The specific management objectives and achievements of the Board's diversity policy are as follows:

Management Objectives	Achievement Status
The number of independent directors exceeds one-third of the board seats	Achieved
Does the Board of Directors include at least one director of a different gender	Achieved
The tenure of independent directors does not exceed 3 terms	Achieved
Sufficient diverse professional knowledge and skills	Achieved

The implementation status of the Board of Directors' diversity policy is as follows:

As of the printing date of this annual report, the Board of Directors consists of 6 seats, with directors of either gender occupying at least one-third of the seats.

Diversity Core / Name		Basic Composition								Professional Background					Professional Knowledge and Skills					
		Nationality	Gender	Employee Status	Age (years)			Independent Director Tenure		Accounting	Industry	Finance	Technology	Legal	Operational Identification Ability	Business Management Capability	Leadership Decision-making Ability	Crisis Management Ability	Industry Knowledge	International Market Perspective
					51~60	61~70	71 and above	Less than 3 years	3 years and above											
Director	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.: Representative FENG-CHUN LIN		Female		V						V				V	V	V	V	V	V
	TePen Investment Co., Ltd.: Representative SHANG-CHIANG WEI		Male	V		V					V				V	V	V	V	V	V
	HsiangCheng Investment Co., Ltd.: Representative YUNG-LI LIN	Republic of China	Female			V						V			V	V	V	V	V	V
Independent Director	CHI-HSIUNG LIU		Male				V	V		V		V			V	V	V	V	V	V
	CHANG-RUEY SHIAU		Male			V		V						V	V	V	V	V	V	V
	SUEY-PING CHI		Male			V		V			V				V	V	V	V	V	V

Independence of the Board of Directors:

The Company's current Board of Directors consists of 6 members, including 3 independent directors, accounting for more than one-third of the board seats. As of the printing date of this annual report, all independent directors comply with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there are no circumstances among the directors and independent directors as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) President, Vice Presidents, Assistant Vice Presidents, and Supervisors of All Departments and Branch Organizations

March 22, 2025; Unit: Shares; %

Title	Name	Gender	Nationality	Date of Appointment	Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Work Experience	Positions Concurrently Held at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Status of Employee Stock Options Acquired by Managers	Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship		
President	SHANG-CHIANG WEI	Male	Republic of China	June 9 2020	1,443,750	2.11	1,443,750	2.11	–	–	Department of Business Management, Tatung University President of Tai Qin Organism Technology Co., Ltd.	Chairperson of Tai Da Eggs Technology Co., Ltd. Chairperson of JihShang Livestock Products Co., Ltd. Chairperson of Mountain River Livestock Products Co., Ltd. Director of Dawushan Ise Foods Co., Ltd. Chairperson of Dashu Investment Co., Ltd. Supervisor of TePen Investment Co., Ltd.	Chief Operating Officer	Iven Wei	Father and son	–	Note 1
Chief Operating Officer	IVEN WEI	Male	Republic of China	August 4 2021	2,362,500	3.46	–	–	–	–	National Tsing Hua University, Department of Economics National Chengchi University, Entrepreneur Management Research Program Council of Agriculture Hen Friendly Farming Committee Member Innolux Corporation International Business	Chairperson of Deben Investment Co., Ltd. Director of Dashu Investment Co., Ltd.	President	Shang-Chiang Wei	Father and son	–	Note 1
Poultry Management Department Assistant Vice Presidents	WEI-CHI LI	Male	Republic of China	September 1 2021	24,000	0.04	–	–	–	–	National Pingtung University of Science and Technology, Graduate Institute of Veterinary Medicine Poultry Farm General Director, Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Director and Section Chief of Animal Production Technical Division, Uni-President Enterprises Corp. General Manager and Technical Director, Qingdao Uni-President Feed and Agriculture Co., Ltd. Senior Civil Service Examination for Veterinarians	Kuo Hsing Poultry & Livestock Feeds Co., Ltd. Veterinarian	–	–	–	–	–
Finance And Accounting Department Chief Financial Officer Accounting Officer: Chief Finance Officer Chief Governance Officer	HSIAO-HUI FANG	Female	Republic of China	June 1 2023	70,000	0.10	–	–	–	–	Master of Advanced Management, National Cheng Kung University Master of Accounting, National Taipei University Vinatech Co., Ltd., Project Manager/Audit Officer of President Office JohnPro Biotech Co., Ltd., Chief Financial Officer Chief Telecom Co., Ltd., Audit Officer	Frozen Food Co., Ltd. Vice President of Finance	–	–	–	–	–

Note 1: Where the Chairperson and President or person of an equivalent post (the highest managerial officer) are the same person, spouses, or relatives within the first degree of kinship, the company should disclose the reason, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors and ensuring that a majority of the directors do not serve concurrently as employees or managerial officers): The Chairperson and President of the Company are not the same person, nor are they spouses or relatives within the first degree of kinship.

II. Remuneration Paid to Directors, President, and Vice Presidents in the Most Recent Year

(I) Remuneration Paid to Non-Independent Directors and Independent Directors in the Most Recent Year (2024)

Unit: NT$ thousand

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Directors' Remuneration</th><th colspan="2" rowspan="2">The total of the four items A, B, C, and D, and their ratio to net profit after tax</th><th colspan="8">Remuneration Received by Directors Who Are Also Employees</th><th colspan="2" rowspan="2">The total of the seven items A, B, C, D, E, F, and G, and their ratio to net profit after tax (%)</th><th rowspan="4">Compensation Received from Invested Companies Other Than Subsidiaries or the Parent Company</th></tr>
<tr><th colspan="2">Compensation</th><th colspan="2">Severance and Retirement Pay</th><th colspan="2">directors' remuneration (Note 1)</th><th colspan="2">Business Execution Expenses</th><th colspan="2">Salary, Bonuses, and Special Disbursements, etc.</th><th colspan="2">Severance and Retirement Pay</th><th colspan="4">Employee Compensation</th></tr>
<tr><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th><th colspan="2">the Company</th><th colspan="2">All Companies within the Financial Statements</th><th rowspan="2">the Company</th><th rowspan="2">All Companies within the Financial Statements</th></tr>
<tr><th>Cash Amount</th><th>Stock Amount</th><th>Cash Amount</th><th>Stock Amount</th></tr>
<tr><td>Chairperson</td><td>Kuo Hsing Poultry & Livestock Feeds Co., Ltd.: Representative FENG-CHUN LIN</td><td rowspan="4">360</td><td rowspan="4">360</td><td rowspan="4">—</td><td rowspan="4">—</td><td rowspan="4">3,847</td><td rowspan="4">3,847</td><td rowspan="4">140</td><td rowspan="4">140</td><td rowspan="4">4,347
(4.59%)</td><td rowspan="4">4,347
(4.59%)</td><td rowspan="4">3,531</td><td rowspan="4">3,531</td><td rowspan="4">108</td><td rowspan="4">108</td><td rowspan="4">499</td><td rowspan="4">—</td><td rowspan="4">499</td><td rowspan="4">—</td><td rowspan="4">8,485
(8.95%)</td><td rowspan="4">8,485
(8.95%)</td><td rowspan="4">9,184</td></tr>
<tr><td>Director</td><td>TePen Investment Co., Ltd.: Representative SHANG-CHIANG WEI</td></tr>
<tr><td>Director</td><td>HsiangCheng Investment Co., Ltd.: Representative YUNG-LI LIN</td></tr>
<tr><td>Director</td><td>CHI-MING CHANG (Note 2)</td></tr>
<tr><td>Independent Director</td><td>CHI-HSIUNG LIU</td><td rowspan="3">1,800</td><td rowspan="3">1,800</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">105</td><td rowspan="3">105</td><td rowspan="3">1,905
(2.01%)</td><td rowspan="3">1,905
(2.01%)</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">1,905
(2.01%)</td><td rowspan="3">1,905
(2.01%)</td><td rowspan="3">—</td></tr>
<tr><td>Independent Director</td><td>SUEY-PING CHI</td></tr>
<tr><td>Independent Director</td><td>CHANG-RUEY SHIAU</td></tr>
</table>

Note 1: The Company's Board of Directors resolved on February 18, 2025 to distribute NT$5,130 thousand as Employees' Compensation and NT$3,847 thousand as Directors' Remuneration for the 2024.

(1) The Company's Independent Directors also serve on the Audit and Compensation Committee, receive a fixed monthly compensation, do not participate in the Directors' Remuneration allocated from profits, and their compensation is approved by the Board of Directors.

(2) In addition to the disclosures in the above table, remuneration received by Directors of the Company for services provided to all companies within the Financial Statements in the most recent year (such as serving as non-employee consultants, etc.): None.

Note 2: Director Chi-Ming Chang resigned on February 3, 2025.

Directors' Remuneration Range Table

Remuneration Range for Each Director of the Company	Director Name			
	Total of First Four Items of Remuneration		Total of First Seven Items of Remuneration	
	the Company	All Companies in the Financial Report	the Company	Parent Company and All Invested Enterprises
Less than NT$1,000,000	FENG-CHUN LIN, YUNG-LI LIN, SHANG-CHIANG WEI, Xiangzheng Investment Co., Ltd., CHI-MING CHANG, CHI-HSIUNG LIU, SUEY-PING CHI AND CHANG-RUEY SHIAU	FENG-CHUN LIN, YUNG-LI LIN, SHANG-CHIANG WEI, Xiangzheng Investment Co., Ltd., CHI-MING CHANG, CHI-HSIUNG LIU, SUEY-PING CHI AND CHANG-RUEY SHIAU	FENG-CHUN LIN, YUNG-LI LIN, Xiangzheng Investment Co., Ltd., Chi-MING CHANG, CHI-HSIUNG LIU, SUEY-PING CHI AND CHANG-RUEY SHIAU	FENG-CHUN LIN, YUNG-LI LIN, Xiangzheng Investment Co., Ltd., CHI-MING CHANG, CHI-HSIUNG LIU, SUEY-PING CHI AND CHANG-RUEY SHIAU
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	TePen Investment Co., Ltd.	TePen Investment Co., Ltd.	TePen Investment Co., Ltd.	TePen Investment Co., Ltd.
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Kuo Hsing Poultry & Livestock Feeds Co., Ltd	Kuo Hsing Poultry & Livestock Feeds Co., Ltd	Kuo Hsing Poultry & Livestock Feeds Co., Ltd	Kuo Hsing Poultry & Livestock Feeds Co., Ltd
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	—	—	SHANG-CHIANG WEI	SHANG-CHIANG WEI
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)	—	—	—	—
NT$100,000,000 or above	—	—	—	—
Total	10 people	10 people	10 people	10 people

(II) Remuneration paid to the President and Vice Presidents in the recent year (2024)

Unit: NT$ thousand

Title	Name	Salary (A)		Pension upon Retirement (B)		Bonuses and Special Expenses, etc. (C)		Employees' Compensation Amount (D)				Total Amount of A, B, C, and D and the Percentage of Net Income After Tax (%)		Compensation Received from Invested Companies Other Than Subsidiaries or the Parent Company
		the Company	All Companies within the Financial Statements	the Company	All Companies within the Financial Statements	the Company	All Companies within the Financial Statements	the Company		All Companies within the Financial Statements		the Company	All Companies within the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	SHANG-CHIANG WEI	5,012	5,252	283	283	4,742	4,742	1,105	—	1,105	—	11,142 (11.75%)	11,382 (12.01%)	—
Chief Operating Officer	IVEN WEI													
Chief Financial Officer	HSIAO-HUI FANG													

Compensation Range Table

Compensation Ranges for Each President and Vice Presidents of the Company	Names of President and Vice Presidents	
	the Company	All Companies within the Financial Statements
Less than NT$1,000,000	—	—
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	—	—
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	HSIAO-HUI FANG	HSIAO-HUI FANG
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	SHANG-CHIANG WEI, IVEN WEI	SHANG-CHIANG WEI, IVEN WEI
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)	—	—
NT$100,000,000 or above	—	—
Total	3 people	3 people

(III) Name and Distribution Status of Managerial Officers Allocated with Employees' Compensation in the Most Recent Year (2024)

Unit: NT$ thousand

Managerial Officer Title	Name	Stock Amount	Cash Amount	Total	Total Amount as a Percentage of Net Income After Tax (%)
President	SHANG-CHIANG WEI	—	1,299	1,299	1.37%
Chief Operating Officer	IVEN WEI				
Chief Financial Officer	HSIAO-HUI FANG				
Assistant Vice President of Poultry Management Department	WEI-CHI LI				

(IV) Respectively compare and explain the total amount of remuneration paid by the Company and all companies in the consolidated reports to the Company's directors, President, and Vice Presidents in the past two years as a percentage of net income after tax in the parent company only or individual financial reports, and explain the policy, standards and combination of remuneration payment, the procedure for determining remuneration, and its correlation with operating performance and future risks:

1. Analysis of the total amount of remuneration paid to the Company's directors, President, and Vice Presidents in the past two years as a percentage of net income after tax:

Unit: NT$ thousand

Analysis Item	2023				2024			
	the Company		All Companies within the Financial Statements		the Company		All Companies within the Financial Statements	
	Total Amount	Percentage of Net Income After Tax	Total Amount	Percentage of Net Income After Tax	Total Amount	Percentage of Net Income After Tax	Total Amount	Percentage of Net Income After Tax
Directors' Remuneration	4,833	6.70	4,833	6.70	6,252	6.59	6,252	6.59
Compensation for President and Vice Presidents	8,185	11.36	8,265	11.47	11,142	11.75	11,382	12.01
Parent Company Only Net Income After Tax	72,082		72,082		94,800		94,800	

2. Policies, Standards and Composition of Compensation, Procedures for Determining Compensation, and the Correlation with Operating Performance and Future Risks:

If the Company's directors concurrently serve as employees (including positions as President, Vice Presidents, other managers and employees), their compensation for these employee roles is administered according to the relevant management systems or regulations of the Company.

The compensation principles for the President and Vice Presidents, including their salary and position level, are established by considering not only the education, experience, language ability, and years of service of the professionals, but also factors such as the socioeconomic income level and the balance of company salaries. According to the Company's compensation system and standards, these are submitted for approval by the Chairperson, then reviewed by the Compensation Committee, and implemented after approval by the Board of Directors.

Employees' fixed and variable compensation, including base salary, year-end bonus, performance bonus, employees’ compensation, and various benefit programs, are determined by considering employees' educational background, work experience, years of service, and annual performance evaluations. Annual work objectives are regularly established each year, and assessments of goal achievement are conducted. The status of objective achievement serves as the basis for year-end bonuses, promotion-related salary adjustments, and performance improvements.

The Company's compensation paid to directors, the President, and Vice Presidents already takes into consideration the operational risks the Company may face in the future and the positive correlation with operating performance, in order to achieve a balance between sustainable operations and risk management.

III. Corporate Governance Operations

(I) Board of Directors Operations

1. Board of Directors Operations

For the most recent fiscal year of 2024, up to the printing date of the annual report, the Company's Board of Directors has held a total of 9 meetings. The attendance of directors and independent directors is as follows:

Title	Name	Actual Attendance	Number of Attendances by Proxy	Actual Attendance Rate (%)	Remarks
Chairperson	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.: Representative FENG-CHUN LIN	9	—	100.00	Required to Attend 9 Times
Director	TePen Investment Co., Ltd.: Representative SHANG-CHIANG WEI	9	—	100.00	Required to Attend 9 Times
Director	HsiangCheng Investment Co., Ltd.: Representative YUNG-LI LIN	9	—	100.00	Required to Attend 9 Times
Director	CHI-MING CHANG	7	—	100.00	Resigned on February 3, 2025; Required to Attend 7 Times
Independent Director	CHANG-RUEY SHIAU	8	—	88.89	Required to Attend 9 Times
Independent Director	SUEY-PING CHI	9	—	100.00	Required to Attend 9 Times
Independent Director	CHI-HSIUNG LIU	9	—	100.00	Required to Attend 9 Times

Note 1: Director Chi-Ming Chang resigned on February 3, 2025.

Other Required Disclosures:

1. If any of the following circumstances occurs in the operation of the Board of Directors, the date and session of the Board meeting, content of proposals, opinions of all Independent Directors, and the company's handling of such opinions shall be specified:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act: No such circumstance.
   (2) Other matters passed by the Board of Directors with objections or reservations from Independent Directors that are recorded or stated in writing, except for the aforementioned matters: No such circumstance.
2. The implementation of recusal for directors with conflicts of interest should specify the director's name, content of the proposal, reason for recusal due to conflict of interest, and their participation in voting:

Board of Directors Session/Date	Proposal Content	Resolution Result	Director Name	Reason for Recusal
The 9th Board, 8th Meeting January 29 2024	The Company's acquisition of right-of-use assets from Kuo Hsing Poultry & Livestock Feeds Co., Ltd., termination of contract farming agreement with Feng-Chun Lin (ChengHao Livestock Farm), and procurement case	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
The 9th Board, 9th Meeting February 27 2024	The Company's transaction with related party Feng-Chun Lin (ChengHao Livestock Farm)	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
	The Company's labor service contract with Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
The 9th Board, 11th Meeting May 10 2024	The Company's signing or ratification of contracts with related parties	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2023 annual manager and employee compensation distribution plan	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
	The Company's performance bonus payment plan for managers	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2024 employee salary adjustment plan	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
The 9th Board, 12th Meeting August 12 2024	The Company's 2024 manager salary adjustment plan	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
The 9th Board, 13th Meeting November 12 2024	The Company's case of obtaining real estate through nominee registration	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2023 directors and supervisors remuneration distribution plan	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN SHANG-CHIANG WEI CHI-MING CHANG	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2024 manager year-end bonus distribution plan	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.

Board of Directors Session/Date	Proposal Content	Resolution Result	Director Name	Reason for Recusal
The 9th Board, 15th Meeting February 18 2025	The Company's 2024 directors' remuneration distribution details	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
	By-Election of One Director	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
The 9th Board, 16th Meeting March 24 2025	The Company's proposed acquisition of Fu Che Frozen Food Co., Ltd. shares	Unanimously approved without objection	FENG-CHUN LIN YUNG-LI LIN	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2024 manager employee remuneration distribution details	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.
	The Company's 2024 manager performance bonus ratification case	Unanimously approved without objection	SHANG-CHIANG WEI	Due to conflict of interest, abstained from discussion and voting.

3. The current year and recent year goals for strengthening board functions (such as establishing an Audit Committee, enhancing information transparency, etc.) and implementation assessment:
   (1) Board of Directors functional goals
      A. To implement corporate governance, strengthen supervisory functions, and enhance management capabilities, the Company has established an Audit Committee composed of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act, thereby strengthening the functions of the Board of Directors.
      B. The Company regularly arranges professional development courses for directors to maintain their core values, professional advantages, and capabilities.
   (2) Implementation assessment
      A. The Company has established an Audit Committee and a Compensation Committee to assist the Board of Directors in executing its responsibilities.
      B. After Board meetings, the Company promptly posts important resolutions on the Market Observation Post System to protect shareholders' interests. The Company has designated specific personnel responsible for collecting and disclosing company information and established a spokesperson system to ensure timely and appropriate disclosure of all material information, providing shareholders and stakeholders with access to relevant financial and business information of the Company.

2. Board of Directors evaluation implementation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed once a year	2024	● Board of Directors ● Individual board members ● Audit Committee ● Compensation Committee	● Board internal self-evaluation ● Board member self-evaluation ● Audit Committee internal self-evaluation ● Compensation Committee internal self-evaluation	● The measurement items for the board performance evaluation include the following five aspects: 1. Level of participation in company operations 2. Improve the quality of board decisions 3. Board composition and structure 4. Director selection and continuing education 5. Internal control ● The measurement items for individual board member performance evaluation include the following six aspects: 1. Understanding of company goals and missions 2. Awareness of director responsibilities 3. Level of participation in company operations 4. Internal relationship management and communication 5. Director's expertise and continuing education 6. Internal control ● The measurement items for the Audit Committee performance evaluation include the following five aspects: 1. Level of participation in company operations 2. Awareness of Audit Committee responsibilities 3. Improving the quality of Audit Committee decisions 4. Audit Committee composition and member selection 5. Internal control ● The measurement items for the Compensation Committee's performance evaluation include the following four aspects: 1. Level of participation in company operations 2. Awareness of Compensation Committee responsibilities 3. Improving the quality of Compensation Committee decisions 4. Compensation Committee composition and member selection

The Company has completed the Board of Directors' self-evaluation for 2024, and the assessment results were submitted to the Board meeting on February 18, 2025, to serve as a basis for review and improvement. The Board of Directors' performance self-evaluation overall average score was 4.82 (out of 5), and the individual directors' performance self-evaluation overall average score was 4.76 (out of 5), indicating that the overall Board operation is functioning well; the Audit Committee's performance self-evaluation overall average score was 4.72 (out of 5), indicating that the overall Audit Committee operation is functioning well; the Compensation Committee's performance self-evaluation overall average score was 4.67 (out of 5), indicating that the overall Audit Committee operation is functioning well.

(II) Audit Committee Operations

The current term of the Company's Audit Committee runs from May 17, 2023, to May 16, 2026. During the most recent fiscal year (2024) and up to the printing date in 2025, the Audit Committee has held a total of 9 meetings. The attendance of independent directors is as follows:

Title	Name	Actual Attendance	Number of Attendances by Proxy	Actual Attendance Rate (%)	Remarks
Independent Director (Convener)	CHI-HSIUNG LIU	9	—	100.00	Number of meetings required to attend: 9
Independent Director	SUEY-PING CHI	9	—	100.00	Number of meetings required to attend: 9
Independent Director	CHANG-RUEY SHIAU	8	—	88.89	Number of meetings required to attend: 9

Other Required Disclosures:

1. If any of the following circumstances occur in the operation of the Audit Committee, the date of the Audit Committee meeting, session, proposal content, independent directors' objections, reservations or significant recommendations, the resolution results of the Audit Committee, and the company's response to the Audit Committee's opinions should be specified:
   (1) Matters listed in Article 14-5 of the Securities and Exchange Act: No such circumstance.
   (2) Besides the aforementioned items, other matters not approved by the Audit Committee but passed with the consent of more than two-thirds of all directors: No such circumstances.
2. Implementation of recusal by independent directors for proposals with conflicts of interest: No such circumstances.
3. Communication between independent directors and the head of internal audit and accountants (should include significant matters, methods, and results of communication regarding the company's financial and business conditions):
   (1) In addition to submitting audit reports and tracking reports on improvement of audit deficiencies to independent directors every month, the head of the Company's internal audit unit regularly explains audit operations, audit results, and follow-up conditions to independent directors during the Audit Committee meetings held at least once per quarter. The communication between the Company's independent directors and the head of internal audit is good.
   (2) Accountants regularly communicate with independent directors about the company's financial and business conditions through face-to-face meetings at the Audit Committee, or independent directors communicate with accountants at any time via telephone or email.
   (3) The head of internal audit and accountants can directly contact independent directors whenever necessary, and the communication channels are unobstructed.

(III) Status of Corporate Governance Implementation and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the "Code of Practice for Corporate Governance" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," which was approved by the Board of Directors on April 28, 2022, and disclosed on the Market Observation Post System and the Company's website.	No significant difference.
II. Company Ownership Structure and Shareholders' Rights (I) Has the Company established internal operational procedures to handle shareholder suggestions, questions, disputes, and litigation matters, and implemented these procedures accordingly?	V		(I) The Company has established spokesperson and deputy spokesperson systems, and handles shareholder suggestions and disputes with the assistance of its stock affairs agency.	No significant difference.
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and the ultimate controllers of these major shareholders?	V		(II) The Company maintains good relationships with its major shareholders, and in accordance with Article 25 of the Securities and Exchange Act, implements reporting of changes in shareholdings by insiders, while also obtaining timely information through shareholder registers provided by its stock affairs agency.	No significant difference.

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Has the Company established and implemented risk management mechanisms and firewalls with affiliated enterprises?	V		(III) The Company handles financial and business transactions with affiliated enterprises in accordance with relevant laws and regulations and the Company's "Operational Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties.	No significant difference.
(IV) Has the Company established internal regulations prohibiting insiders from trading securities using non-public market information?	V		(IV) The Company has established "Code of Ethical Conduct for Directors and Managers," "Operating Procedures for Internal Material Information," "Management Procedures for Preventing Insider Trading," and "Procedures for Handling Reports of Illegal, Unethical or Dishonest Conduct," which clearly prohibit company insiders from trading securities using non-public market information, and has strengthened education and promotion of relevant laws and regulations.	No significant difference.
III. Board Composition and Responsibilities (I) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them effectively?	V		(I) The Company's Board members are primarily selected based on their experience related to the Company's industry or business operations. Overall, the Board possesses capabilities in operational judgment, accounting and financial analysis, crisis management, industry knowledge, international market perspective, leadership, and decision-making. They have industry experience and professional knowledge, spanning multiple industry sectors with complementary abilities. To strengthen the Board's functions and achieve the ideal goals of corporate governance, Article 20 of the Company's "Code of Practice for Corporate Governance" clearly states the capabilities that the Board as a whole should possess as follows: ● Operational judgment capability ● Accounting and financial analysis capability ● Business Management Capability ● Crisis Management Ability ● Industry Knowledge ● International Market Perspective	No significant difference.

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			● Leadership capability ● Decision-making capability	
(II) Has the Company voluntarily established other types of functional committees in addition to the legally required Compensation Committee and Audit Committee?	V		(II) The Company has established an Audit Committee and a Compensation Committee. Other types of functional committees have not yet been established. In the future, they will be planned and established according to actual needs and in compliance with legal requirements.	No significant difference.
(III) Has the Company established a Board performance evaluation method and its assessment approach, regularly conducts performance evaluations annually, reports the results of performance evaluations to the Board, and uses them as a reference for individual director compensation and nomination for reappointment?	V		(III) The Company has established Board Performance Evaluation Procedures and regularly conducts performance evaluations after the end of each year. The scope of evaluation includes the overall Board, individual Board members, and functional committees. The evaluation is conducted through self-assessment questionnaires. The Company's 2024 Board of Directors performance self-evaluation was reported to the Board on February 18, 2025.	No significant difference.
(IV) Does the Company regularly evaluate the independence of its certified public accountants?	V		(IV) Before appointing accountants each year, the Company's Board of Directors evaluates the independence of the certified public accountants and obtains an independence declaration issued by the accountants. The main evaluation items are as follows: 1. Not an employee of the Company or its affiliated enterprises.	No significant difference.

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			2. Not a director of the Company or its affiliated enterprises. 3. Neither the individual, their spouse, minor children, nor anyone holding shares under another person's name owns 1% or more of the Company's total issued shares or is among the top ten natural person shareholders. 4. Not a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of any person listed in the preceding three categories. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's total issued shares, or a director, supervisor, or employee of any of the top five corporate shareholders. 6. Not a director (board member), supervisor (committee member), manager, or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business dealings with the Company. 7. Not having a spousal relationship or kinship within the second degree with other directors. 8. Not falling under any of the circumstances specified in Article 30 of the Company Act. 9. Not elected as a representative of the government, a legal entity, or as a representative thereof under Article 27 of the Company Act. 10. Not permitted to serve as a director, manager, or in a position that significantly influences audit cases of the Company within the past two years. 11. Not permitted to be involved in managerial functions related to decision-making for the Company. After the Company's assessment, CPAs Jen-Yao Hsieh and Ling-Wen Huang from Crowe (TW) CPAs both meet the Company's independence evaluation criteria for the 2024, and the results	

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			were reported to and approved by the Board of Directors on January 29, 2024.	
IV. Do listed and OTC companies assign qualified and appropriate numbers of corporate governance personnel, and designate a chief governance officer responsible for corporate governance-related matters (including but not limited to providing necessary information for directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling legal affairs related to board meetings and shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	V		The Company's Board of Directors approved on June 29, 2023, the appointment of accounting officer Hsiao-Hui Fang as the chief governance officer, with the following scope of authority: 1. Handling matters related to board meetings and shareholders' meetings in accordance with the law. 2. Preparing minutes of board meetings and shareholders' meetings. 3. Assisting directors with their appointment and continuing education. 4. Providing directors with information necessary for executing their duties. 5. Assisting directors in complying with laws and regulations. 6. Other matters as stipulated in the Articles of Incorporation or contracts.	No significant difference.
V. Has the company established communication channels with stakeholders	V		1. The Company has established a spokesperson and deputy spokesperson system, and can establish communication channels with stakeholders through the Company's telephone, fax, and other communication methods.	No significant difference.

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?			2. The Company has set up a stakeholder section on its website, providing stakeholders with sufficient information to make judgments to protect their interests. 3. The Company's website is maintained and disclosed by designated personnel. If there are any changes to financial, business, and corporate governance information, it is regularly updated for the reference of shareholders and stakeholders.	
VI. Has the company appointed a professional shareholder services agent to handle shareholder meeting matters?	V		The Company has appointed Stock Management Service Department, KGI Securities to handle shareholder meeting matters.	No significant difference.
VII. Information Disclosure (I) Has the company established a website to disclose financial, business, and corporate governance information?	V		(I) The Company has set up an investor section on its website (https://www.dawushan.com.tw/pages/investors) and discloses financial, business, and corporate governance information in accordance with regulations.	No significant difference.
(II) Has the company adopted other means of information disclosure (such as establishing an English website, designating personnel responsible for	V		(II) The Company has designated dedicated personnel responsible for collecting and disclosing company information, and has implemented a spokesperson system to ensure that information that may affect the decisions of shareholders and stakeholders can be disclosed in a timely and appropriate manner.	No significant difference.

Evaluation Items	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
collecting and disclosing company information, implementing a spokesperson system, placing legal briefing proceedings on the company website, etc.)?				
(III) Did the company announce and file its annual financial reports within two months after the end of the accounting year, and announce and file its first, second, and third quarter financial reports and monthly operational status before the prescribed deadlines?	V		(III) The Company, in accordance with the "Matters to be Handled by Issuers of Listed Securities" and "Corporate Governance Evaluation Indicators," has announced and filed its annual financial reports ahead of the prescribed deadlines, and has filed quarterly financial reports and monthly operational status before the prescribed deadlines.	No significant difference.
VIII. Does the company have other important information that helps in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders,	V		1. Employee rights: The Company has always treated employees with integrity and protects employees' legal rights in accordance with the Labor Standards Act. 2. Employee care: The Company provides appropriate care to its employees, which is clearly stipulated in the relevant personnel, employee welfare committee and other regulations. Additionally, the Company provides necessary benefits and assistance to employees such as health examinations, group insurance, and support for weddings, funerals, and celebrations. 3. Investor relations: A spokesperson and deputy spokesperson system has been established, dedicated to handling shareholder suggestions, in	The Company has no significant differences except for risk management policies and procedures.

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability insurance for directors and supervisors by the company, etc.)?</td><td></td><td></td><td>order to maintain a positive relationship between investors and the company.
4. Supplier relations: The Company has always maintained good relationships with its suppliers.
5. Rights of stakeholders: Stakeholders can communicate with and provide suggestions to the company in order to protect their legitimate rights and interests.
6. Continuing education of directors and supervisors: All directors of the Company have professional industry backgrounds and practical experience in business management, and the Company arranges appropriate continuing education courses for directors every year.
7. Implementation of risk management policies and risk measurement standards: Not applicable.
8. Implementation of customer policies: The Company maintains stable and good relationships with customers to generate profits for the company.
9. Status of purchasing liability insurance for directors: The Company has purchased liability insurance for its directors to enable them to carefully fulfill their responsibilities as directors with investors' interests as the starting point, without concerns.</td><td></td></tr>
<tr><td colspan="5">IX. Please explain the improvements made based on the corporate governance evaluation results published by the Taiwan Stock Exchange Corporation's Corporate Governance Center in the most recent year, and provide priority enhancement items and measures for areas not yet improved: The Company is not included in the evaluated companies, so this situation does not apply.</td></tr>
</table>

(IV) If the company has established a compensation committee, it should disclose its composition and operation

1. Information on Compensation Committee Members

Identity/Title	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of other public companies in which the member also serves as a member of their Compensation committees
Independent Director (Convener)	CHANG-RUEY SHIAU	Bachelor's degree in Law from Chung Hsing University. Previously served as Chairperson of Mega Bills Finance Co., Ltd., President of Taiwan Financial Holding Co., Ltd. and Bank of Taiwan, Director of the Finance, Budget and Financial Affairs Department of the Executive Yuan, Chief Secretary of the Financial Supervisory Commission, and Deputy Director-General of the Banking Bureau. Currently serves as an Independent Director of the Company, a member of the Audit Committee and Compensation Committee, and also serves as the CEO of the New Generation Financial Foundation. Does not meet any of the conditions specified in Article 30 of the Company Act.	All three independent directors of the Company are not employees, managers, directors, or supervisors of the Company or its affiliated enterprises, nor are they spouses, relatives within the second degree of kinship, or direct blood relatives within the third degree of kinship of the aforementioned individuals. They do not hold, personally or in the name of their spouses, minor children, or others, more than 1% of the total issued shares of the Company or rank among the top ten natural person shareholders. They are not directors, supervisors, or employees of legal entity shareholders that directly hold more than 5% of the total issued shares of the Company, rank among the top five shareholders, or designate representatives to serve as directors or supervisors of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act. They are not directors, supervisors, or employees of other companies where more than half of the director positions or voting shares are controlled by the same person as the Company. They are not	None
Independent Director	SUEY-PING CHI	Ph.D. in Food Science from Mississippi State University, USA. Previously served as Adjunct Professor in the Department of Animal Science and Technology, National Taiwan University; Adjunct Professor in the Department of Food and Nutrition, Fu Jen Catholic University; Adjunct Professor in the Department of Hospitality Management, College of Human Life Science and Technology, Chung Hwa University of Medical		None

Identity/Title	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of other public companies in which the member also serves as a member of their Compensation committees
		Technology; Dean of College of Human Life Science at Chung Hwa University of Medical Technology; Researcher and Division Head at the Livestock Research Institute, Council of Agriculture, Executive Yuan; and Food Processing Technology Specialist at the Council of Agriculture, Executive Yuan. Currently serves as an Independent Director of the Company, a member of the Audit Committee and Remuneration Committee, and also serves as an Honorary Consultant for CAS. Does not meet any of the conditions specified in Article 30 of the Company Act.	directors, supervisors, or employees of other companies or institutions where the chairperson, president, or person holding an equivalent position is the same person as, or is the spouse of, the Company's chairperson, president, or person holding an equivalent position. They are not directors, supervisors, managers, or shareholders holding 5% or more shares of specific companies or institutions that have financial or business dealings with the Company. They are not professionals, sole proprietors, partners, company owners, partners, directors, supervisors, managers, or spouses thereof, that provide audit services to the Company or its affiliated enterprises, or that have received cumulative compensation not exceeding NT$500,000 over the past two years for providing commercial, legal, financial, accounting, or other related services. Additionally, they do not have spousal relationships or relationships within the second degree of kinship with other directors.	
Independent Director	CHI-HSIUNG LIU	Master's degree in Accounting from National Chengchi University. Previously served as a Partner at Horwath Chien Hsing CPAs and Chairperson of ChangChun Enterprise Management Co., Ltd. Currently serves as an Independent Director of the Company, a member of the Audit Committee and Compensation Committee, and also serves as Chairperson of ChangChun Biomedical Co., Ltd., Chairperson of ChangChun Hotel Co., Ltd., Chairperson of Shun Lai Enterprise Management Consulting Co., Ltd., Independent Director of Janfusun Fancyworld Corp., and Independent Director of Wei Chih Steel Industrial Co., Ltd. Does not meet any of the conditions specified in Article 30 of the Company Act.		2

2. Information on the Operation of the Compensation Committee

The Company's Compensation Committee consists of three members. The term of the current committee members is from May 31, 2023, to May 30, 2026. During the most recent fiscal year (2024) and up to the printing date of 2025, the Remuneration Committee has held a total of 7 meetings. The attendance of committee members is as follows:

Title	Name	Actual Attendance	Number of Attendances by Proxy	Actual Attendance Rate (%)	Remarks
Independent Director (Convener)	CHANG-RUEY SHIAU	6	—	85.71	Number of meetings required to attend: 7
Independent Director	SUEY-PING CHI	7	—	100.00	Number of meetings required to attend: 7
Independent Director	CHI-HSIUNG LIU	7	—	100.00	Number of meetings required to attend: 7

Other Required Disclosures:

1. If the Board of Directors does not adopt or decides to modify recommendations from the Compensation Committee, the date and session of the Board meeting, content of the proposal, Board resolution results, and the Company's response to the Compensation Committee's opinions should be specified (if the compensation approved by the Board exceeds the recommendations of the Compensation Committee, the differences and reasons should be explained): No such occurrences.
2. If any member of the Compensation Committee has objections or reservations to a resolution and such objections or reservations are recorded in the meeting minutes or stated in a written statement, the date of the Compensation Committee meeting, the session, the content of the resolution, the opinions of all members, and the handling of members' opinions shall be specified: No such occurrences.

3. Information on the Nomination Committee Members and Operation: The Company has not yet established a Nomination Committee.

(V) Implementation of Sustainable Development and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies; Companies meeting certain conditions should disclose climate-related information.

Implementation Status of Sustainable Development and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or concurrent) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and how does the Board of Directors supervise it?	V		The Company has set up a Sustainable Development Office, which is responsible for coordinating and planning the promotion of sustainable development. In addition, the Company has established "Sustainable Development Best Practice Principles," and the Board of Directors periodically reviews corporate governance content and promotes the concept of sustainable development. In recent years, the Company has successively received the National Sustainability Award and the Special Award for Small and Medium Enterprises in the Environmentally Friendly Category of the CommonWealth ESG Excellence in Corporate Social Responsibility Award.	No significant difference.
II. Has the Company conducted risk assessments on environmental, social, and corporate governance issues related to company operations in accordance with the materiality principle, and established relevant risk management policies or strategies?	V		The Company passed the "Sustainable Development Best Practice Principles," "Code of Practice for Corporate Governance," "Principles of Business Ethics," "Operational Procedures and Behavioral Guidelines for Ethical Management," and "Code of Ethical Conduct" at the Board of Directors meeting on April 28, 2022. In accordance with these regulations and to comply with legal amendments, the Company has prepared to establish assessment teams based on different functional requirements to promptly revise relevant risk management policies.	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		(I) Since its establishment, the Company has consistently implemented environmental protection and strictly adheres to relevant Taiwanese environmental regulations. Related waste management also complies with Taiwan's regulations by applying for waste clearance documentation, water management measures, and regular reporting. In 2024, the Company obtained ISO14001 certification from SGS, a third-party verification organization, ensuring that the Company's current environmental policies are being implemented and continuing to promote waste reduction in production, with the aim of achieving sustainable circular commitments.	No significant difference.
(II) Is the Company committed to improving energy use efficiency and using renewable materials with lower environmental impact?	V		(II) The Company is progressively installing solar panels on the roofs of its factory areas, expected to reach 5,204kW in capacity. Currently, the power is sold to Taiwan Power Company and green energy providers. In line with the national long-term renewable energy policy promotion, besides actively installing solar panels in the factory areas, the Company has also scheduled the phasing out of old energy-consuming equipment. New factory designs incorporate energy-saving equipment, actively preparing for carbon reduction.	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
(III) Has the Company assessed the potential current and future risks and opportunities of climate change for the business, and adopted corresponding response measures?	V		(III) This year, the Company has officially implemented the Task Force on Climate-related Financial Disclosures (TCFD) framework established by the Financial Stability Board, to assess the risks and opportunities of climate change for the Company. The Board of Directors serves as the highest authority for climate change management, with the Sustainable Development Office proposing implementation plans. These plans include the assessment of climate-related risks and opportunities relevant to company operations, as well as the establishment of various sustainability policies, systems, and goals, which are regularly reported to the Board of Directors annually. This year, considering the relevance to Dawushan Farm, 11 risk issues and 7 opportunity issues were screened, from which 3 risks and 3 opportunities were focused on. Please refer to "3 (6) 1. Implementation Status of Climate-related Information" for details. The Company has proposed further management measures and response plans for the aforementioned significant risks and opportunities, evaluated their financial impacts, and the Sustainable Development Office, together with various units, has set indicators and targets to regularly monitor and track effectiveness. The complete information on climate change risk and opportunity analysis will be disclosed in the 2024 Sustainability Report.	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
(IV) Has the Company collected statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and established policies for reducing greenhouse gas emissions, water consumption, or other waste management?		V	(IV) The Company is not currently an industry under the control of the Ministry of Environment, so we are currently adopting voluntary inventory, explained as follows: In June 2023, the Company obtained certification from a third-party verification organization for ISO 14064-1 for the entire year of 2022. From the greenhouse gas emissions inventory, it can be seen that electricity usage, livestock farming, and outsourced poultry manure treatment are the three main sources of greenhouse gas emissions for the Company: 1. For electricity, reduction planning is being conducted for high energy consumption in the factory areas, and application for ISO 50001 energy management certification is being promoted. 2. For chicken farming, the veterinarians from the breeding department will, based on chicken farming needs, precisely discuss feed formula improvements with feed factories. 3. For the outsourced treatment of poultry manure, the Company has built the second phase of poultry manure disposal equipment in 2023 for overall poultry manure management, and added deodorizing room fans, water sprayers, and electrical equipment in 2024, which can effectively reduce the proportion of outsourced transportation, in order to achieve the goal of greenhouse gas reduction.	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
IV. Social Issues (I) Has the company established relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(I) The Company has effectively implemented relevant labor regulation requirements, protected employees' legal rights, and established employee communication channels to ensure harmonious labor-management relations.	No significant difference.
(II) Has the company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected business performance or results in employee compensation?	V		(II) The Company complies with relevant labor regulations and clearly stipulates employee compensation, leave, and other benefits in company regulations and internal policies. Additionally, year-end bonuses are distributed based on the company's operational results and employee performance evaluations at the end of the year, protecting employees' rights.	No significant difference.
(III) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	V		(III) 1. The Company conducts educational training on occupational safety and emergency evacuation drills for employees every year to enhance employees' ability in disaster prevention, evacuation, and emergency response, thereby reducing the risk of personnel injuries. In terms of employee health, annual employee physical examinations are conducted, exceeding the legal requirements. And the Company has signed contracts with hospitals, with nurses providing on-site services three times a month and doctors three times a year; for colleagues with abnormal health examination values, follow-up is conducted and health counseling and guidance are provided. And periodically conducts health education and	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
			health promotion activities to strengthen employees' health management awareness. Every year, the local health center is invited to administer influenza vaccines to employees on-site, safeguarding employee health. 2. Committed to creating a healthy workplace, promoting workplace tobacco hazard prevention and health promotion, and obtaining healthy workplace certification. Health Promotion Label.	
(IV) Does the company establish effective career development training programs for employees?	V		(IV) The Company's employee training programs cover pre-employment training for new employees, on-the-job training, and specialized training. Established a "mentorship system" for on-the-job training, with the training policy focused on teaching new employees work skills and strengthening quality awareness. Through interaction and communication between new employees and mentors, new employees can quickly absorb professional skills and integrate into the company culture.	No significant difference.
(V) Does the company comply with relevant regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect consumer or customer rights?	V		(V) 1. The Company complies with the "Consumer Protection Act" and relevant regulations for all products provided, and ensures quality for customers through internal audits and external verification mechanisms to provide excellent products and services to customers. 2. Honest cultivation, safe egg products, full participation, pursuit of excellence" is the Company's quality policy and food safety culture; raising chickens with the most serious attitude, treating disease prevention with the most rigorous methods, controlling quality with the strictest quality	No significant difference.

Items to be Promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
			inspections; the Company follows this quality policy to fulfill its commitment to food safety. 3. The Company has established grievance channels on its corporate website, where customers can file complaints through phone or email. Established the "Standard Operating Procedure for Handling Consumer Complaint Cases" where switchboard personnel record consumer complaint content, which is then transferred to specialized departments for investigation, analysis, and response regarding quality abnormalities.	
(VI) Has the company established supplier management policies, requiring suppliers to comply with relevant regulations regarding environmental protection, occupational safety and health, or labor rights, and how are these implemented?	V		(VI) Before engaging with suppliers, the Company requires them to provide basic information and relevant documentation for verification, and requires suppliers to comply with relevant regulations regarding environmental protection, occupational safety and health, or labor rights, in order to jointly pursue better performance and make greater contributions to society.	No significant difference.
V. Has the company referenced internationally accepted reporting standards or guidelines to prepare sustainability reports or other reports that disclose the company's non-financial information? Has the aforementioned report obtained assurance or certification		V	The Company has currently prepared sustainability reports and other reports that disclose non-financial information, and beginning in 2025, will arrange for third-party assurance in accordance with relevant legal requirements.	The Company will prepare these in the future according to operational development

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>opinions from third-party verification units?</td><td></td><td></td><td></td><td>needs and legal requirements.</td></tr>
<tr><td colspan="5">VI. If the company has established its own Sustainable Development Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any differences between its implementation and the established principles: The Company has established "Sustainable Development Best Practice Principles," and will continue to implement them in accordance with its regulations. There are no significant differences from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
<tr><td colspan="5">VII. Other important information that helps understand the implementation of sustainable development:
The Company periodically conducts various corporate social responsibility activities:
1. Collaboration with small farmers on revitalization projects, expanding nearly 2 hectares of eco-friendly farming area.
2. Promotion of eco-friendly farming methods using organic fertilizers, collaborating with rose farmers to use "Shang Hao No. 1" to cultivate food-grade roses. After two years of investment, successfully produced two kilograms of rose petals.
3. Sponsored NT$96,000 to the Grace Deaf Bakery to launch charity gift boxes, achieving sales of 4,000 New Year gift boxes.
4. Supporting local creators and local artistic works by painting the exterior walls of Dawushan Farm, showcasing comprehensive egg management quality and brand appeal.
5. Donated to surrounding hospitals and social welfare institutions, with charitable donations reaching NT$276,073 in 2023.</td></tr>
</table>

Climate-related Information for Listed Companies

1. Implementation Status of Climate-related Information

Items	Implementation Status
(1) Implementation Status of Climate-related Information	The Company has established a Sustainable Development Office to respond to the high uncertainty of climate change and the rapid changes in policies and markets, as well as to timely grasp and estimate the possible impacts caused by climate change. This office is responsible for overall planning and promotion of sustainable development. Additionally, the Company refers to the TCFD framework to assess the risks and opportunities brought by climate change, and reports management indicators and targets to the Board of Directors to ensure effective management, in order to promote sustainable development and achieve the goal of net-zero emissions by 2050.
(2) Describe how the identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, long-term).	The Company is actively developing solutions with the aim of reducing the operational and financial impacts caused by climate change and enhancing organizational climate resilience. And defines short-term (within 1 year), short-medium term (1-3 years), medium-term (3-7 years), medium-long term (7-10 years), long-term (over 10 years); financial impact is defined as mild, moderate, high, significant, and extreme, used to assess the potential operational and financial impacts of climate-related risks and opportunities on the company, in order to plan various actions to respond to climate-related risks and opportunities. The Company has established climate risk assessments, identified climate risks and opportunities that may cause potential financial impacts, and developed response strategies as follows: ● Physical risks A. Long-term risk: Climate change impact - shortage of raw materials a. Impact description: The main ingredients for chicken feed are imported international grains from abroad. As climate anomalies lead to increased frequency of droughts and floods, under dramatic global environmental changes, this may result in risks of insufficient chicken feed supply, price increases, and supply chain disruptions. b. Impact scope: I Upstream: Feed shortages and price increases. Since the Company's feed is directly supplied by the parent company, the impact on the Company is relatively small. II Organization itself: Poor productivity or impact on product quality, leading to customer complaints. III Downstream: Due to increased procurement costs, the selling price of fresh eggs may be passed on to customers. c. Financial impact level: High impact. d. Impact timeframe: Medium-term. e. Response actions: I Annually conduct supplier evaluations and establish a robust supplier screening mechanism to monitor raw material and product quality. II Optimize supplier management standard operating procedures, obtain preferential prices and save transportation costs through order delivery scheduling. III Increase the number of suppliers to disperse material shortage risks, and establish safety stock levels in response. B. Immediate risk: Extreme weather events - Operational disruption a. Impact description:

Items	Implementation Status
	Typhoons, floods, heavy rainfall, and other extreme weather disasters may cause power outages affecting automated chicken management systems and drinking water equipment in breeding farms. These events may also lead to network connection interruptions, preventing data from being uploaded to the cloud in real-time, significantly increasing the probability of overall operational disruption for the Company. b. Impact scope: I Upstream: ➢ Exclusively distributed equipment needs to be re-ordered from overseas suppliers, resulting in longer waiting times or higher procurement costs for urgent orders. ➢ Generator equipment procurement costs increase. II Organization itself: ➢ Eggs immersed in water risk contamination from wastewater, leading to increased disposal and reduced operational income. ➢ Generator equipment daily maintenance costs increase. III Downstream: Unstable egg quality affects reputation, leading to reduced transaction volume, resulting in decreased operational income. c. Financial impact level: High impact. d. Impact timeframe: Medium-term. e. Response actions: I Enhance factory disaster prevention capability ➢ During factory construction, the ground was raised with additional soil, products are kept 5 cm above the ground, pallets are 15 cm above the ground, and inspection equipment is installed at waist height or higher, reducing flood risk. ➢ Implemented an automatic equipment anomaly reporting system that detects issues and notifies relevant personnel in a timely manner, ensuring stable production operations. II Power outage response ➢ Immediately activate generators to ensure uninterrupted power supply. ➢ Lower the rolling steel doors to ensure safety inside the facility. ➢ If the network is interrupted, manually maintain the local database. III Backup and maintenance ➢ Each facility is equipped with 2 backup generators. ➢ Conduct routine activation tests monthly to ensure normal operation. ➢ Every year, request contractors to perform inspection and maintenance, and replace the oil and filters. C. Long-term risks: Climate change impacts - rising average temperatures a. Impact description: Due to global warming, the number of high-temperature days is increasing. To ensure chickens live in a comfortable environment, operational electricity consumption is expected to increase significantly. We estimate that electricity price adjustments and increased usage may lead to higher financial fixed costs. Rising average temperatures may also lead to higher rates of poultry

Items	Implementation Status
	disease transmission, resulting in reduced chicken survival rates, unstable product supply, increased management costs, and decreased production, which affects revenue. b. Impact scope: I Upstream: The hardware equipment of contract farmers' facilities must comply with the standards for enclosed water curtain air-conditioned chicken houses. II Organization itself: ➢ Chicken house designs primarily use enclosed water curtain air-conditioned chicken houses, which increases construction costs. ➢ Chickens drink large amounts of water, causing feces to stick to eggshells, which increases cleaning and sorting costs. ➢ Increased frequency of laboratory testing leads to higher operational costs. ➢ When egg quality inspections fail to meet standards, there is an increase in product discards, resulting in reduced operational income. ➢ Increased number and running time of chicken house fans leads to higher electricity costs. ➢ Chicken infectious diseases cause health issues for personnel. III Downstream: ➢ Unstable egg quality affects reputation, thereby reducing transaction volume and causing decreased operational income. ➢ Due to increased electricity costs, fresh egg prices may be passed on to customers. c. Financial impact level: High impact. d. Impact timeframe: Medium-term. e. Response actions: I Chicken House Environment and Personnel Management ➢ Semi-enclosed water curtain air-conditioned chicken houses utilize natural evaporation principles to cool the air, avoiding the use of high-energy consumption air conditioning equipment. ➢ Annual evaluation of whether the hardware in the chicken houses can effectively regulate the indoor environmental temperature, and maintenance of solar panels on the chicken house roofs to cope with high-temperature situations. ➢ Establish cross-departmental cooperation and communication mechanisms to analyze the impact of high-temperature heat waves on employee health, and formulate preventive and responsive measures to ensure workplace safety. II Chicken Health and Disease Management ➢ Quality management through ISO 22000, strengthening the frequency and quantity of random inspections within the farm to increase overall quality control. ➢ Personnel from chicken transport vehicles, rendering vehicles, feed vehicles, etc., are strictly prohibited from entering the premises. ➢ Implement vaccination plans and disease prevention inspections, do not purchase chickens of unknown origin, and ensure the execution of disease prevention according to the disease prevention plan. ● Opportunities

Items	Implementation Status
	A. Building Corporate Resilience a. Opportunity Description: By identifying climate risks and opportunities for the Company itself and its supply chain, we enhance our ability to respond to climate change, making the Company more resilient and achieving sustainable business operations. b. Impact scope: I Upstream: Adjust relevant operational methods in line with the Company's sustainability strategy. II Organization itself: In response to improved research and development technology, recruit more professional talents to enhance the company's overall quality. III Downstream: Reduction in non-compliance penalties, enhanced reputation, and increased customer trust. c. Financial Impact: High benefit. d. Impact Timeline: Short to medium term. e. Action Strategy: I Optimize talent recruitment strategies to attract and retain excellent human resources to respond to market changes and operational needs. II Strengthen internal training and development programs to enhance employee professional capabilities, ensuring the enterprise can adapt to future challenges and growth needs. III Establish a Sustainable Development Office to coordinate the promotion of ESG and sustainability strategies, enhancing the enterprise's ability to adapt to climate change. IV Cultivate ISO 14001, 14064, 50001 seed personnel to strengthen environmental management, carbon inventory, and energy management capabilities. B. Develop circular economy a. Opportunity Description: Through developing a circular economy, chicken manure produced from the manufacturing process is transformed into organic fertilizer, achieving resource regeneration and circular economy, effectively reducing greenhouse gas emissions and product carbon footprint. b. Impact scope: I Upstream: Develop new circular economy cooperation models. II Organization itself: ➢ Reduce environmental impact and waste disposal costs. ➢ Create new revenue sources, attract ESG investments and collaboration opportunities. III Downstream: Provide organic fertilizer to customers, which can reduce dependence on chemical fertilizers and lower the risk of soil acidification and degradation. c. Financial Impact: High benefit. d. Impact timeframe: Medium-term. e. Action Strategy: I Increase the proportion of chicken excrement converted into organic fertilizer, effectively reducing odors and greenhouse gas emissions.

Items	Implementation Status
	II Collaborate with the government and cross-industry partners to establish a sustainable ecosystem chain, promoting resource sharing and waste reduction. C. Develop new markets a. Opportunity Description: Consumers are more inclined to support products and services that are committed to reducing carbon emissions and promoting sustainable development, including whether the farming process complies with animal welfare standards, whether supply chain management is transparent, and whether renewable energy and sustainable packaging are used. b. Impact scope: I Upstream: ➢ Must comply with higher environmental standards, provide relevant inspection reports, and adopt more environmentally friendly packaging materials. ➢ Coordinate the selection of suitable chicken breeds to increase the feed-to-egg conversion rate, reducing product carbon emissions. II Organization itself: ➢ Implement active carbon reduction measures, enhance the company's environmental image, and attract more environmentally conscious consumers and investors. ➢ Good carbon management helps meet regulatory requirements and reduce legal risks. III Downstream: Provide customers with organic fertilizer to reduce dependence on chemical fertilizers and lower the risk of soil acidification and degradation. Launch carbon footprint products and animal welfare certified products to attract customers who align with Dawushan Farm's sustainable development philosophy, increasing orders. c. Financial Impact: High benefit. d. Impact Timeline: Short to medium term. e. Action Strategy: I Pay attention to low-carbon trends, industry dynamics, and customer expectations, and prioritize cooperation with channels that value environmental protection. Continue to disclose the company's environmental sustainability information. II Adjust feeding management plans to promote chicken uniformity, increasing egg-laying rates and further reducing carbon emissions. III Introduce environmentally friendly packaging materials, reduce plastic use, and lower environmental impact. IV Through a water recycling system, reduce water resource consumption in the washing and sorting production line, and improve water resource utilization efficiency.
(3) Clarify the financial impact of extreme climate events and transition actions.	Typhoons, floods, heavy rainfall, and other extreme climate-induced disasters could cause automated chicken management systems and water equipment in the breeding farms to malfunction. They may also lead to network connection interruptions, preventing data from being uploaded to the cloud in real time, significantly increasing the probability of disruption to the Company's overall operations. Regarding financial impacts, exclusive agency equipment would need to be repurchased from foreign suppliers, causing longer waiting times, higher costs for urgent purchases, increased

Items	Implementation Status
	generator equipment procurement costs, eggs soaking in water with risk of sewage contamination, increased waste, reduced operating income, increased daily maintenance costs for generator equipment, and unstable egg quality affecting reputation, thereby reducing transaction volume and causing decreased operating income. Faced with these challenges, the company must take transitional actions to reduce the financial impact of climate risks. By enhancing disaster prevention capabilities and power outage response capabilities, such as increasing the soil filling height of factory areas, ensuring automatic reporting when equipment malfunctions, and regularly testing backup generators, potential losses from extreme climate events can be effectively reduced. These actions not only stabilize the production process but also improve the company's risk resistance capacity in the long term, thereby protecting financial health.
(4) Explain how the identification, assessment, and management processes for climate risks are integrated into the overall risk management system.	The Company's risk management mechanism includes identification, analysis, measurement, response, risk disclosure, and reporting. Based on the TCFD framework, we evaluate climate risks and opportunities related to the company's operations, and through cross-departmental discussions, formulate relevant management measures that are integrated into the company's current risk management system.
(5) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be explained.	The Company has not currently used scenario analysis to assess climate change risks.
(6) If there is a transition plan for addressing and managing climate-related risks, explain the content of the plan, and the indicators and targets used to identify and	The Company has established a transition plan to manage climate-related risks, enhance climate governance and supply chain resilience, and promote sustainable transformation. Implementation objectives of the plan: A. Equipment maintenance: Regularly perform equipment inspection and maintenance according to the manufacturer's maintenance manual, and follow standard operating procedures for preventive maintenance to reduce equipment failure rates, ensure efficient equipment operation, and thereby reduce energy consumption. At the same time, through irregular daily inspections, abnormalities are detected and eliminated early to ensure normal equipment operation.

Items	Implementation Status
manage physical risks and transition risks.	B. Temperature-controlled chicken houses and safety biosecurity: Ensure the cooling system of water curtain negative pressure chicken houses operates normally, and continuously monitor the health status of laying hens and pullets, regularly perform dissections and serological examinations to ensure no abnormalities occur. C. Develop circular economy: Continue to autonomously process poultry and livestock manure waste through self-built fertilizer plants, reducing costs for outsourcing waste treatment.
(7) If internal carbon pricing is used as a planning tool, the basis for price setting should be explained	The Company recognizes the importance of climate change to business operations and sustainable development, and continues to monitor international trends in carbon emission management. Currently, the Company has not yet formally introduced an internal carbon pricing mechanism. In the future, we will actively initiate relevant preparatory work to more effectively incorporate carbon emission costs into decision-making considerations. Although internal carbon pricing has not yet been implemented, the Company has gained an understanding of the current status of carbon emissions through regular greenhouse gas inventories, while promoting various energy-saving and carbon-reduction measures, such as replacing high-energy-consuming equipment, further encouraging suppliers to reduce carbon emissions, working together towards a low-carbon transition, and regularly publishing ESG reports to disclose carbon emission-related information, enhance transparency, and actively manage carbon emissions.
(8) If climate-related targets are set, information should be provided on the activities covered, the scope of greenhouse gas emissions, planned timeline, and annual progress toward achievement; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of carbon reduction credits being offset or the	To achieve the goal of net-zero emissions by 2050, the Company actively implements various energy-saving and carbon reduction initiatives, continuously improving energy use efficiency. Since 2022, the Company has implemented ISO 14064-1, establishing an effective greenhouse gas emission monitoring and management program. At the same time, to ensure the efficient operation of equipment, the Company conducts comprehensive equipment maintenance regularly, which not only reduces energy consumption but also lowers equipment failure rates. All employees of the Company actively participate in environmental protection issues, integrating carbon reduction into daily life. From the reasonable setting of air conditioning temperatures to conserving water and electricity, replacing lighting equipment with energy-efficient alternatives, and other such measures, we cultivate environmental awareness among employees while also demonstrating the company's long-term commitment to environmental protection and social responsibility. The Company has completed the conversion of traditional lighting systems in chicken houses to LED, and has replaced all reservoir motors with variable frequency motors. Future plans include gradually replacing the primary variable frequency air conditioning equipment in the plant area with high-efficiency energy-saving variable frequency models, and cold storage facilities will continue to adopt environmentally friendly refrigerants. The Company currently does not use carbon offsets or renewable energy certificates; however, solar photovoltaic systems have been installed on the rooftops of the headquarters plant area, which can reduce dependence on traditional energy sources and decrease greenhouse gas emissions. Furthermore, the solar panels effectively shield the roof, reducing direct sunlight exposure, which lowers indoor temperatures by 3 to 5 degrees, thereby saving air conditioning electricity consumption in the plant area and offices. This initiative delivers tangible benefits for environmental

Items	Implementation Status
quantity of Renewable Energy Certificates (RECs) should be explained	sustainability through the implementation of a green energy economy. Dawushan Farm has gradually installed solar photovoltaic systems on the roofs of plant areas, with a current total installed capacity of approximately 4,346.248 kW (kilowatts). The final installation capacity data will be officially based on what is reported in the 2024 Sustainability Report. Through solar power generation, the production process of each egg contributes to Taiwan's green energy development, achieving a win-win situation for environmental sustainability and economic benefits.
(9) Greenhouse Gas Inventory, Verification Status, Reduction Targets, Strategies, and Specific Action Plans	Please refer to "III (V) 2. The Company's Greenhouse Gas Inventory and Verification Status for the Past Two Years" and "III (V) 3. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

2. The Company's Greenhouse Gas Inventory and Verification Status for the Past Two Years

(1) Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions for the past two years (tonnes CO2e), intensity (tonnes CO2e/million dollars), and the scope of the data coverage.

According to the Sustainable Development Roadmap for listed companies, the Company falls under the category of companies with paid-in capital below NT$5 billion:

1. The parent company entity should begin inventory from 2026; verification in 2028.
2. Subsidiaries in the consolidated financial reports should begin inventory from 2027; verification in 2029.

The Company has established a greenhouse gas inventory mechanism in accordance with the ISO14064-1 greenhouse gas inventory standard published by the International Organization for Standardization (ISO). Starting from 2022, the Company has taken the initiative to conduct annual inventory and verification of its entity's greenhouse gas emissions, in order to fully understand the greenhouse gas usage and emission status.

In addition, the greenhouse gas inventory data for the past two years has been compiled based on the operational control approach, summarizing the Company's greenhouse gas emissions, as described below:

		2023		2022	
		Emission amount (tonnes CO2e)	Emission intensity (tonnes CO2e/million dollars)	Emission amount (tonnes CO2e)	Emission intensity (tonnes CO2e/million dollars)
the Company	Category 1	1,336.2064		969.2507	
	Category 2	2,511.1087		1,955.2533	
	Category 3	91.0477		63.4644	
	Category 4	614.9846		413.9859	
	Subtotal	4,553.3451	3.97 (Note 4)	3,401.954	2.85 (Note 4)

- In 2022, the scope covers Dawushan Farm Technology Co., Ltd. headquarters and pullet Farm

● In 2023, the scope covers Dawushan Farm Technology Co., Ltd. headquarters, pullet Farm, and Guanmiao Farm

Note 1: Direct emissions (Scope 1, which are direct emissions from sources that are owned or controlled by the company), energy indirect emissions (Scope 2, which are indirect greenhouse gas emissions from the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, which are emissions that are a consequence of the company's activities but occur from sources owned or controlled by other companies and are not classified as energy indirect emissions).

Note 2: The data coverage of direct emissions and energy indirect emissions should comply with the timeline specified by the decree as per Article 10, Paragraph 2 of these guidelines, while other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standard: ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The greenhouse gas emission intensity can be calculated per unit of revenue, with 2023 revenue at NT$1,148 million and 2022 revenue at NT$1,192 million.

(2) Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years as of the annual report printing date, including the assurance scope, assurance institution, assurance standards, and assurance opinion.
The greenhouse gas inventory assurance status for the most recent two years of the Company is described as follows:

Items	2023	2022
Assurance Scope	Dawushan Farm Technology Co., Ltd. Headquarters, Pullet Farm, and Guanmiao Farm	Dawushan Farm Technology Co., Ltd. Headquarters and Pullet Farm
Assurance Institution	China Productivity Center Verification Office	China Productivity Center Verification Office
Assurance Standard	Prepared according to ISO 14064-1:2018 (CNS 14064-1:2021) standard	Prepared according to ISO 14064-1:2018 standard
Assurance Opinion	Based on the historical nature of the data and information supported by Dawushan Farm Technology Co., Ltd., our center has conducted voluntary program verification of the greenhouse gas emissions from their organizational activities from January 1, 2023 to December 31, 2023 in accordance with ISO 14064-3:2019 standards. The verification results comply with the ISO 14064-1:2018 standards, and therefore we provide an unqualified opinion.	Based on the historical nature of the data and information supported by Dawushan Farm Technology Co., Ltd., our center has conducted voluntary program verification of the greenhouse gas emissions from their organizational activities from January 1, 2022 to December 31, 2022 in accordance with ISO 14064-3:2019 standards. The verification results comply with the ISO 14064-1:2018 standards, and therefore we provide an unqualified opinion.

Note 1: In accordance with the schedule specified in the order under Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies, the Company was unable to obtain the complete greenhouse gas assurance opinion for 2024 by the annual report printing date. The complete assurance information will be disclosed in the sustainability report and the 2026 annual report.

Note 2: The assurance organization should comply with the relevant regulations for sustainability report assurance organizations established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

3. Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies and specific action plans, as well as the achievement status of reduction targets.
Originally 2022 was set as the inventory base year, but due to the company's rapid development and changes in the reporting boundary or organizational boundary structure (such as mergers, acquisitions, or divisions), after the organizational boundary is confirmed, the base year will be reset according to regulations and its greenhouse gas emissions will be recalculated.

Note 1: Should be handled according to the schedule specified in the order under Article 10, Paragraph 2 of these Regulations.

Note 2: The base year should be the year in which the inventory is completed based on the consolidated financial report boundary. For example, according to the order under Article 10, Paragraph 2 of these Regulations, companies with capital exceeding NT$10 billion should complete the inventory of the 2024 consolidated financial report in 2025, so the base year would be 2024. If a company has already completed the inventory of the consolidated financial report earlier, it may use that earlier year as the base year. Additionally, the base year data may be calculated using a single year or as an average of multiple years.

Note 3: The disclosure content can refer to the best practice examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

(VI) Implementation of Ethical Corporate Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences

Evaluation Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
I Establishing ethical corporate management policies and programs				
(I) Has the company established an ethical corporate management policy approved by the board of directors, and clearly stated its ethical corporate management policies and practices in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the management policy?	V		(I) The Company has established policies such as "Principles of Business Ethics," "Procedures and Guidelines for Ethical Corporate Management," and "Code of Ethical Conduct," which have been approved by the Board of Directors and reported at the Annual Shareholders' Meeting, to establish a corporate culture of ethical management. The management also actively commits to implementing and supervising the execution of ethical corporate management policies.	No significant difference.
(II) Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzing and evaluating business activities with higher risks of dishonest behavior within its scope of operations, and accordingly formulated programs to prevent dishonest behavior, which at least cover the preventive measures for the various acts specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) The Company has established policies such as "Principles of Business Ethics," "Procedures and Guidelines for Ethical Corporate Management," and "Code of Ethical Conduct," which have been approved by the Board of Directors and reported at the Annual Shareholders' Meeting, to establish a corporate culture of ethical management. The management also actively commits to implementing and supervising the execution of ethical corporate management policies.	No significant difference.
(III) Has the company specified operating procedures, behavioral guidelines, disciplinary measures for violations, and grievance systems in its program to	V		(III) The Company has established "Procedures for Handling Whistleblowing of Illegal, Unethical or Dishonest Conduct," which clearly stipulates the content of whistleblowing against violations of the "Code of Employee	No significant difference.

Evaluation Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
prevent dishonest behavior, implemented them effectively, and regularly reviewed and revised the aforementioned program?			Professional Ethics," "Principles of Business Ethics," "Procedures and Guidelines for Ethical Corporate Management," and "Code of Ethical Conduct," as well as the receiving units, reporting formats, reporting channels, handling procedures, inadmissible whistleblowing cases, handling measures, etc. The Company also periodically promotes these policies through the company website and electronic bulletin boards within the facility. Relevant colleagues also promote the effectiveness of preventing dishonest behavior through integration with the reward and punishment system and performance evaluation system.	
II Implementing ethical corporate management (I) Has the company evaluated the integrity records of its business counterparties, and specified ethical behavior clauses in the contracts signed with its business counterparties?	V		(I) When the Company establishes contracts with its customers and suppliers, the rights and obligations of both parties are detailed in the contracts, and ethical behavior clauses are clearly stipulated.	No significant difference.
(II) Has the company established a dedicated unit responsible for promoting ethical corporate management under the Board of Directors, and regularly (at least once a year) reported to the Board regarding its ethical management policies, programs to prevent dishonest behavior, and the supervision of implementation?	V		(II) The Company's part-time unit responsible for promoting ethical corporate management is the President Office, which will regularly report to the Board of Directors on the implementation status every year.	No significant difference.
(III) Has the company established policies to prevent conflicts of interest, provided appropriate channels for disclosure, and implemented them effectively?	V		(III) The Company has established "Ethical Corporate Management Operating Procedures and Behavior Guidelines" and "Code of Ethical Conduct" for employees, directors, and managers respectively, to prevent conflicts of interest and provide disclosure channels for relevant personnel to	No significant difference.

Evaluation Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
			proactively explain whether they have potential conflicts of interest with the Company. Internally, there is a "Misconduct Reporting" mechanism on the intranet, and externally, there is a grievance channel in the "Stakeholder Section" on the company website.	
(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management, and has the internal audit unit formulated relevant audit plans based on the risk assessment results of dishonest behavior, and accordingly examined compliance with the programs to prevent dishonest behavior, or engaged certified public accountants to perform the audit?	V		(IV) The Company has established effective accounting systems and internal control systems; and has included "Ethical Corporate Management" in its annual internal control risk assessment. Based on the assessment results, relevant audit plans are formulated, and related audit operations are executed. In case of special circumstances, separate project audits will also be arranged.	No significant difference.
(V) Does the company regularly conduct internal and external education and training on ethical corporate management?	V		(V) The Company conveys and ensures employees clearly understand ethical corporate management concepts and standards through management meetings and regular internal education and training.	No significant difference.
III Operation of the Company's Whistleblowing System (I) Has the company established specific whistleblowing and reward systems, set up convenient whistleblowing channels, and assigned appropriate dedicated personnel to handle reports against the accused?	V		(I) The Company has established "Procedures for Handling Whistleblowing of Illegal, Unethical, or Dishonest Conduct" to manage whistleblowing matters. Reports can be submitted in writing or electronically. The spokesperson handles whistleblowing from shareholders, investors, and other stakeholders, while the Audit Officer handles whistleblowing from internal colleagues, customers, suppliers, etc.	No significant difference.

Evaluation Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
(II) Has the company established standard operating procedures for investigating reported matters, follow-up measures to be taken after investigations are completed, and related confidentiality mechanisms?	V		(II) Whistleblowing Matter Handling Procedures: 1. If a whistleblowing case is verified to be true, it will be handled in accordance with relevant disciplinary regulations in laws and the Company's "Work Rules." Before making any disciplinary decision, the Company shall provide the accused with an opportunity to state their opinions or file an appeal. 2. The Company will maintain confidentiality and provide protection for whistleblowers or those who participate in investigations, ensuring they are free from unfair treatment or retaliation. If anyone experiences unfair treatment, retaliation, or similar situations due to whistleblowing or participation in an investigation, they should report this to the original handling unit. 3. If the handling unit discovers through investigation that the whistleblowing matter involves directors, supervisors or senior executives, or there are serious violations that may cause significant damage to the Company, it should immediately prepare a report and notify the independent directors in writing. 4. The results of the handling will be communicated to the complainant by official letter, telephone, or other means. 5. If a complainant knowingly reports false information or provides falsified evidence, and if this involves criminal liability, the complainant shall bear the responsibility themselves. The Company reserves the right to pursue legal action. 6. For whistleblowing cases that are verified to be true and of significant severity, appropriate rewards will be given to the complainant based	No significant difference. No significant difference.

Evaluation Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons for Such Differences
	Yes	No	Summary Description	
(III) Has the company adopted measures to protect whistleblowers from improper treatment due to their whistleblowing?	V		on their contribution and the magnitude of the economic benefits generated. (III) According to the Company's "Procedures for Handling Whistleblowing of Illegal, Unethical or Dishonest Conduct," the Company will maintain confidentiality and provide protection for whistleblowers or those who participate in investigations.	
IV Enhance Information Disclosure Has the Company disclosed the content and implementation results of its Principles of Business Ethics on its website and the Market Observation Post System?	V		The Company has disclosed the "Principles of Business Ethics" and "Operational Procedures and Behavioral Guidelines for Ethical Management" on the Market Observation Post System, and is actively planning to establish a "Corporate Governance Section" on the Company's website to disclose ethical management-related regulations and implementation status.	No significant difference.
V If the Company has established its own Principles of Business Ethics based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe any differences between its operation and the established principles: The Company has established the "Principles of Business Ethics" and complies with relevant regulations. There are no significant differences between its operation and the established principles.				
VI Other important information that helps understand the Company's ethical management operations: (such as the Company's review and amendment of its established Principles of Business Ethics) (I) The Company strictly complies with relevant laws and regulations stipulated by the government (Company Act, Securities and Exchange Act, TWSE/TPEx related regulations, or other commercial conduct rules) as the foundation for implementing ethical management. (II) The Company regularly arranges corporate governance courses for directors and department heads to enhance their ability to supervise and govern the Company, aiming to improve corporate governance effectiveness and implement ethical management.				

(VII) Other Important information that can enhance understanding of the Company's corporate governance operations: Please visit the Market Observation Post System website at

(VIII) The implementation status of the internal control system should disclose the following matters.

1. The Statement of Internal Control is as follows:

Dawushan Farm Technology Co., Ltd.
Statement of Internal Control System

Date: February 18, 2025

Based on the results of self-assessment, the Company hereby declares the following regarding its internal control system for the 2024:

I. The Company acknowledges that it is the responsibility of the Board of Directors and managers to establish, implement, and maintain the internal control system, which the Company has already established. Its purpose is to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable regulations and laws.

II. The internal control system has its inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the three objectives mentioned above. Furthermore, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the Company's internal control system has a self-monitoring mechanism in place, and once deficiencies are identified, the Company immediately takes corrective actions.

III. The Company evaluates the effectiveness of the design and implementation of its internal control system based on the assessment criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The assessment criteria used in the "Regulations" divide the internal control system into five components according to the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each component further includes several items. For the aforementioned items, please refer to the provisions of the "Regulations".

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

V. Based on the examination results mentioned in the preceding paragraph, the Company believes that as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), including the design and implementation of internal controls related to the understanding of operational effectiveness and efficiency goal achievement, reliability, timeliness, and transparency of financial reporting, and compliance with relevant regulations and laws, is effective and can reasonably ensure the achievement of the aforementioned objectives.

VI. This statement will become a major part of the Company's annual report and prospectus, and will be disclosed to the public. If the above disclosed content contains any falsehood, concealment, or other illegality, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors of the Company on February 18, 2025. Among the six directors present, 0 expressed opposing opinions, and the rest all agreed to the content of this statement, which is hereby declared.

Dawushan Farm Technology Co., Ltd.

Chairperson: LIN FENG-CHUN Signature

President: SHANG-CHIANG WEI Signature

2. If the internal control system is commissioned to an accountant for project review, the accountant's review report should be disclosed: None.

(IX) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the printing date of the annual report

1. Important resolutions of the shareholders' meeting

(1) 2024 Annual Shareholders' Meeting (May 31, 2024), important resolutions and their implementation status are as follows:

- Approved the 2023 Business Report and Financial Statements.
- The Company's the proposal for the distribution of the 2024 earnings was approved to distribute a cash dividend of NT$1.12502057 per share.
- The amendment to the Company's "Articles of Incorporation" was approved and has been implemented according to the resolution of the shareholders' meeting.
- The amendment to the "Procedures for Acquisition or Disposal of Assets" was approved and has been implemented according to the resolution of the shareholders' meeting.

2. Important resolutions of the Board of Directors

The Company's important Board resolutions in 2024 and up to the printing date of this annual report are summarized as follows:

(1) Board of Directors meeting on January 29, 2024:

- Approved the Company's acquisition of right-of-use assets from Kuo Hsing Poultry & Livestock Feeds Co., Ltd., termination of the contract farming agreement with Feng-Chun Lin (ChengHao Livestock Farm), and procurement.
- Approved the assessment of independence and competence of the Company's certified public accountants, and the appointment of certified public accountants for 2024.
- Approved the amendments to the Company's "Internal Control System" and "Internal Audit Procedures".

(2) Board of Directors meeting on February 27, 2024:

- Approved the distribution of compensation for directors, supervisors, and employees for 2023, to be reported at the Annual Shareholders' Meeting. Allocated remuneration of NT$3,255,807 for directors and supervisors, and compensation of NT$4,341,076 for employees for 2023.
- Approved the Company's 2023 Business Report and Financial Statements, to be submitted to the Annual Shareholders' Meeting for approval.
- Approved the Company's the distribution of the 2023 earnings , with cash dividends of NT$68,345,000, representing NT$1.12502057 per share, to be submitted to the Annual Shareholders' Meeting for approval.
- Approved the Company's 2023 Internal Control System Statement.

- Approved the Company's transaction with related party Feng-Chun Lin (ChengHao Livestock Farm).
- Approved the Company's service contract with Kuo Hsing Poultry & Livestock Feeds Co., Ltd.
- Approved the amendments to the Company's "Procedures for Acquisition or Disposal of Assets", to be reported to the Annual Shareholders' Meeting.
- Approved the amendments to certain provisions of the Company's "Internal Control System" and "Internal Audit Procedures".
- Approved the amendments to the Company's "Articles of Incorporation", to be reported to the Annual Shareholders' Meeting.
- Approved the amendments to the Company's "Charter for Audit Committee" and "Rules of Procedure for Board of Directors' Meeting".
- Approved the Company's "Performance Evaluation of the Board of Directors and Functional Committees".
- Approved matters related to the 2024 Annual Shareholders' Meeting.
- Approved the distribution of performance bonuses to the Company's managers.

(3) Board of Directors Meeting on March 29, 2024:

- Approved the issuance of new shares through cash capital increase for the Company's initial public offering (IPO). The Company plans to issue 7,595,000 common shares with a par value of NT$10 per share, totaling NT$75,950,000. The shares will be issued at a premium, with a tentative issue price of NT$56 per share, expected to raise approximately NT$425,320 thousand.
- Approved the amendments to the Company's "Approval Authority Guidelines".
- Approved the number of shares that managers can subscribe to in the Company's 2024 cash capital increase.
- Approved the amendments to the Company's "Rules of Procedure for Board of Directors' Meeting".

(4) Board of Directors Meeting on May 10, 2024:

- Approved the Company's consolidated financial statements for the first quarter of 2024.
- Approved the signing or ratification of contracts between the Company and related parties.
- Approved the additional budget for the factory construction of the subsidiary "Dawushan Ise Foods Co., Ltd.".
- Approved the renewal of credit facilities for working capital from "Taiwan Cooperative Bank".
- Approved the renewal of credit facilities for working capital from "Mega Bank".

- Approved the Company's application for short-term and medium-to-long-term secured credit facilities from "First Bank".
- Approved the distribution of employee compensation for the Company's managers for 2023.
- Approved the distribution of performance bonuses for the Company's managers.
- Approved the Company's employee salary adjustment for 2024.

(5) Board of Directors meeting on August 12, 2024:

- Approved the Company's consolidated financial statements for the second quarter of 2024.
- Approved the Company's participation in the cash capital increase of its subsidiary, Dawushan Ise Foods Co., Ltd.
- Approved the amendments to the Company's "Internal Control System" and "Internal Audit Procedures".
- Approved the amendments to the Company's "Sustainable Development Best Practice Principles", "Code of Practice for Corporate Governance" and "Code of Ethical Conduct".
- Approved the Company's application for short-term and medium-to-long-term credit facilities from "Chang Hwa Bank".
- Approved the Company's application for short-term loans and short-term secured loans credit facilities from "First Bank".
- Approved the change in real estate collateral for the Company's credit facilities with Mega International Commercial Bank.
- Approved the removal of non-compete restrictions for the Company's managers.
- Approved the 2024 salary adjustment for the Company's managers.
- Approved the Company's implementation of the employee stock ownership trust.

(6) Board of Directors meeting on November 12, 2024

- Approved the Company's consolidated financial statements for the third quarter of 2024.
- Approved the Company's budget for fiscal year 2025.
- Approved the Company's audit plan for fiscal year 2025.
- Approved the Company's acquisition of real estate through nominee registration.
- Approved the cancellation of endorsement guarantees for the subsidiary Delta Egg Technology Co., Ltd.
- Approved the establishment of the Company's "Sustainability Information Management Regulations.

- Approved the amendments to the Company's "Internal Control System" and "Internal Audit Procedures".
- Approved the establishment of the Company's "Self-Regulatory Rules for Merger and Acquisition Information Disclosure".
- Approved the amendments to the Company's "Procedures for Requesting the Suspension and Resumption of Stock Trading on the Emerging Stock Board".
- Approved the distribution of the Company's directors' and supervisors' remuneration for the 2023.
- Approved the distribution of the Company's executive managers' year-end bonuses for the 2024.

(7) Board of Directors Meeting on November 22, 2024:

- Approved the execution of the Company's share repurchase plan.

(8) Board of Directors Meeting on February 18, 2025:

- Approved the distribution of the Company's directors' and employees' compensation for the 2024, to be reported at the Annual Shareholders' Meeting. For the 2024, NT$3,847,137 was allocated for directors' remuneration and NT$5,129,516 was allocated for employees' compensation.
- Approved the detailed distribution plan for the Company's directors' remuneration for the 2024.
- Approved the Company's 2024 business report and financial statements.
- Approved the proposal for the distribution of the 2024 earnings, distributing cash dividends of NT$67,345,000, NT$1 per share, to be submitted to the Annual Shareholders' Meeting for approval.
- Approved the Company's distribution of cash from capital surplus, distributing cash dividends of NT$67,345,000, NT$1 per share, to be submitted to the Annual Shareholders' Meeting for discussion.
- Approved the Company's Statement on Internal Control System for the 2024.
- Approved the amendment to the Company's "Regulations Governing the First Share Repurchase and Transfer to Employees in 2024".
- Approved the amendments to the Company's "Internal Control System" and "Internal Audit Procedures".
- Approved the amendment to the Company's "Procedures for Acquisition or Disposal of Assets".
- Approved the Company's "Performance Evaluation of the Board of Directors and Functional Committees".
- Approved the amendment to the Company's "Articles of Incorporation".

- Approved with amendments the evaluation of the scope of the Company's entry-level employees.
- Approved the liquidation and closure of subsidiaries "JihShang Livestock Products Co., Ltd." and "Mountain River Livestock Products Co., Ltd.
- Approved the Company's application for short-term loan and short-term secured loan credit facilities from "First Bank".
- Approved the Company's application for short-term and medium-to-long-term credit facilities from "Chang Hwa Bank".
- Approved the adjustment of the Company's organizational structure.
- Approved the removal of non-compete restrictions for the Company's managers.
- Approved the Company's 2023 "Sustainability Report".
- Approved the Company's greenhouse gas inventory and verification schedule plan.
- Approved matters related to convening the 2025 Annual Shareholders' Meeting.
- Approved the by-election of one Directors.

(9) Board of Directors meeting on March 24, 2025

- The Company intends to acquire shares of Fu Che Frozen Food Co., Ltd.
- Change in the Company's certified public accountants and the assessment of their independence and suitability.
- Establishing the Company's "Standard Operating Procedures for Handling Requests from Directors".
- The Company's application for a loan facility from "Mega Bank".
- The Company's application for a loan facility from "First Bank".
- Matters related to the 2025 Annual Shareholders' Meeting.
- The Company's 2024 distribution of employee compensation for managers.
- The Company's 2024 performance bonus ratification for managers.

(X) For the most recent year and up to the printing date of the annual report, the main contents of any recorded or written statements where directors had dissenting opinions on important resolutions passed by the Board of Directors: No such occurrence.

IV. CPA Fee Information

(I) CPA Audit Fee

Amount unit: NT$ thousand

Accounting Firm Name	CPA Name	CPA Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
Crowe (TW) CPAs	JEN-YAO HSIEH, LING-WEN HUANG	January 1 2024 - December 31 2024	1,456	348	1,804	The non-audit fee is for business registration and tax certification.

(II) If there is a change in the accounting firm and the audit fee paid in the year of the change is less than the audit fee of the previous year before the change, the audit fee amounts before and after the change and the reason should be disclosed: There is no such circumstance.

(III) If the audit fee is reduced by more than ten percent compared to the previous year, the amount, percentage, and reason for the reduction of the audit fee should be disclosed: There is no such circumstance.

V. Information on Change of Accountants

(I) About the Previous Accountants

<table>
<tr><td>Date of Change</td><td colspan="5">March 24, 2025, approved by the Board of Directors</td></tr>
<tr><td>Reason and Explanation for the Change</td><td colspan="5">To meet the needs of the company's operational development and internal management</td></tr>
<tr><td rowspan="3">Specify whether the termination or non-acceptance of appointment was initiated by the client or the accountants</td><td colspan="3">Parties Involved
Situation</td><td>Accountant</td><td>Client</td></tr>
<tr><td colspan="3">Proactively terminate the appointment</td><td>-</td><td>✓</td></tr>
<tr><td colspan="3">No longer accept (continue) the appointment</td><td>-</td><td>-</td></tr>
<tr><td>Opinions other than unqualified opinions issued in audit reports and the reasons for such opinions within the last two years</td><td colspan="5">None</td></tr>
<tr><td rowspan="7">Whether there are disagreements with the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="3">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="3">Financial report disclosures</td></tr>
<tr><td></td><td colspan="3">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="3">Others</td></tr>
<tr><td></td><td colspan="3"></td></tr>
<tr><td>None</td><td colspan="4">✓</td></tr>
<tr><td>Description</td><td colspan="4">None</td></tr>
<tr><td>Other disclosures (items that should be disclosed according to Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of these Standards)</td><td colspan="5">None</td></tr>
</table>

(II) Regarding the successor accountant

Name of the accounting firm	PricewaterhouseCoopers Taiwan
CPA Name	CPA A-SHEN LIAO CPA CHIEN-CHIH WU
Date of appointment	Changed starting from the first quarter of 2025
Pre-appointment consultation regarding accounting treatment methods or principles for specific transactions, and the potential opinions and results that may be issued on financial reports	None
Written opinion of the successor CPA on matters of disagreement with the predecessor CPA	None

VI. The Chairperson, President, and managers responsible for financial or accounting affairs of the company have not, within the past year, been employed by the accounting firm of the certifying CPA or its affiliated enterprises: No such circumstance exists.

VII. The changes in shareholding and pledges of shares for directors, managers, and shareholders holding more than 10% of shares during the most recent fiscal year and up to the printing date of the annual report.

Unit: shares

Changes in shareholding of directors, managers, and major shareholders					
Title	Name	2023		2024 up to the printing date of the annual report	
		Number of shares increased (decreased)	Number of pledged shares increased (decreased)	Number of shares increased (decreased)	Number of pledged shares increased (decreased)
Chairperson	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	(338,439)	—	—	—
	Representative: Feng-Chun Lin	(66,978)	—	184,210	—
Director	TePen Investment Co., Ltd.	(2,405,000)	—	—	—
	Representative: Shang-Chiang Wei	68,750	—	—	—
Director	HsiangCheng Investment Co., Ltd.	983,918	—	—	—
	Representative: YUNG-LI LIN	(68,750)	—	120,000	—
Director	CHI-MING CHANG (Note 1)	45,086	—	(Note 1)	(Note 1)
Independent Director	CHANG-RUEY SHIAU	—	—	—	—
Independent Director	SUEY-PING CHI	—	—	—	—
Independent Director	CHI-HSIUNG LIU	—	—	—	—
President	SHANG-CHIANG WEI	68,750	—	—	—
Chief Operating Officer	IVEN WEI	(387,500)	—	—	1,000,000
Assistant Vice President of Poultry Management Department	WEI-CHI LI	20,000	—	4,000	—
Assistant Vice President of Administration Department	PIN-I YEH (Note 2)	—	—	—	—
Finance and Accounting Department Chief Financial Officer	HSIAO-HUI FANG	15,000	—	55,000	—

Note 1: Director Chi-Ming Chang resigned on February 3, 2025.
Note 2: Assistant Vice President Pin-I Yeh resigned on February 28, 2025.

(I) The transfer of shares by directors, managers, and major shareholders to related parties: No such occurrence.

(II) The pledging of shares by directors, managers, and major shareholders to related parties: No such occurrence.

VIII. Information on the top ten shareholders who are related parties to each other or are spouses or relatives within the second degree of kinship

March 22, 2025; Unit: Shares; %

Name	Shares held by the person		Shares Held by Spouse and Minor Children		Shares held in the name of others		Names and relationships of the top ten shareholders who are related parties to each other or are spouses or relatives within the second degree of kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or title)	Relationship	
HsiangCheng Investment Co., Ltd.: Representative YUNG-LI LIN	18,222,293	26.66	—	—	—	—	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent-subsidiary relationship	—
	2,086,650	3.05	—	—	—	—	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Representative of a corporate director	—
							FENG-CHUN LIN	Relatives within the second degree of kinship	—
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.: Representative FENG-CHUN LIN	10,440,316	15.28	—	—	—	—	HsiangCheng Investment Co., Ltd.	Parent-subsidiary relationship	—
	2,179,735	3.19	—	—	—	—	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Representative of a corporate director	—
							YUNG-LI LIN	Relatives within the second degree of kinship	—
TaShu Investment Co., Ltd.: Representative SHANG-CHIANG WEI	4,540,780	6.64	—	—	—	—	Ruizhao Investment Co., Ltd. TePen Investment Co., Ltd.	Representatives are relatives within the second degree of kinship	—
	1,443,750	2.11	1,443,750	2.11	—	—	IVEN WEI	Relatives within the second degree of kinship	—
Cathay Sustainability Private Equity Fund Limited Partnership	4,396,363	6.43	—	—	—	—	—	—	—
Ruizhao Investment Co., Ltd.: Representative TZU-HUAN WEI	2,886,056	4.22	—	—	—	—	TaShu Investment Co., Ltd. TePen Investment Co., Ltd.	Representatives are relatives within the second degree of kinship	—
	3,000	0.00	—	—	—	—	TaShu Investment Co., Ltd.	Director	—
							Shang-Chiang Wei, Iven Wei	Relatives within the second degree of kinship	—
IVEN WEI	2,362,500	3.46	—	—	—	—	TaShu Investment Co., Ltd.	Director	—
							TePen Investment Co., Ltd.	Chairperson	—
							Ruizhao Investment Co., Ltd.	Related to the representative within the second degree of kinship	—
							Shang-Chiang Wei	Relatives within the second degree of kinship	—
Feng-Chun Lin	2,179,735	3.19	—	—	—	—	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Representative of a corporate director	—

Name	Shares held by the person		Shares Held by Spouse and Minor Children		Shares held in the name of others		Names and relationships of the top ten shareholders who are related parties to each other or are spouses or relatives within the second degree of kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or title)	Relationship	
							YUNG-LI LIN	Relatives within the second degree of kinship	—
YUNG-LI LIN	2,086,650	3.05	—	—	—	—	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Representative of a corporate director	—
							Feng-Chun Lin	Relatives within the second degree of kinship	—
TePen Investment Co., Ltd.: Representative IVEN WEI	1,995,000	2.92	—	—	—	—	TaShu Investment Co., Ltd. Ruizhao Investment Co., Ltd.	Representatives are relatives within the second degree of kinship	—
	2,362,500	3.46	—	—	—	—	TaShu Investment Co., Ltd.	Director	—
							TePen Investment Co., Ltd.	Chairperson	—
							Ruizhao Investment Co., Ltd.	Representatives are relatives within the second degree of kinship	
							SHANG-CHIANG WEI	Relatives within the second degree of kinship	—
Kuo-Chung Lin	1,943,670	2.84	—	—	—	—	FENG-CHUN LIN, YUNG-LI LIN	Relatives within the second degree of kinship	—

IX. The company, its directors, managers, and enterprises directly or indirectly controlled by the company's shareholdings in the same reinvested enterprise, with the consolidated comprehensive shareholding ratio calculated

December 31, 2024; Unit: Shares; %

Reinvested Enterprise (Note 1)	The Company's Investment		Investment by Directors, Supervisors, Managers, and Directly or Indirectly Controlled Enterprises		Comprehensive Investment	
	Number of Shares	Shareholding Percentage (%)	Number of Shares	Shareholding Percentage (%)	Number of Shares	Shareholding Percentage (%)
Tai Da Eggs Technology Co., Ltd.	3,761,200	68.39%	770,000	14.00%	4,531,200	82.39%
JihShang Livestock Products Co., Ltd.	100,000	100.00%	—	—	100,000	100.00%
Mountain River Livestock Products Co., Ltd.	100,000	100.00%	—	—	100,000	100.00%
Dawushan Ise Foods Co., Ltd. (Note 2)	13,950,000	60.00%	—	—	13,950,000	60.00%

Note 1: Represents the company's investments using the equity method.
Note 2: Former name was Jin Nong Xing Eggs Co., Ltd., renamed in January 2024.

Chapter 3 Funding Status

I. Capital and Shares

(I) Source of Capital

Unit: Thousand shares, NT$ Thousand

Year/Month	Issuance Price (NTD)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Subscribers who pay for shares with property other than cash	Others
January 4 2007	10	10,000	100,000	10,000	100,000	Founding capital of 100,000 thousand dollars	None	Note 1
April 15 2011	10	15,000	150,000	15,000	150,000	Cash capital increase of 50,000 thousand dollars	None	Note 2
January 5 2012	10	20,000	200,000	20,000	200,000	Cash capital increase of 50,000 thousand dollars	None	Note 3
April 25 2012	10	25,000	250,000	25,000	250,000	Cash capital increase of 50,000 thousand dollars	None	Note 4
August 10 2012	10	30,000	300,000	30,000	300,000	Cash capital increase of 50,000 thousand dollars	None	Note 5
November 30 2017	10	40,000	400,000	34,816	348,158	Cash capital increase of 48,158 thousand dollars	None	Note 6
December 22 2017	10	40,000	400,000	40,000	400,000	Cash capital increase of 51,842 thousand dollars	None	Note 7
August 29 2022	10	100,000	1,000,000	55,000	550,000	Capital surplus transferred to capital increase of 150,000 thousand dollars	None	Note 8
August 23 2023	10	100,000	1,000,000	57,750	577,500	Earnings transferred to capital increase of 27,500 thousand dollars	None	Note 9
October 23 2023	56	100,000	1,000,000	60,750	607,500	Cash capital increase of 30,000 thousand dollars	None	Note 10
June 11 2024	57.13	100,000	1,000,000	68,345	683,450	Cash capital increase of 75,950 thousand dollars	None	Note 11

Note 1: January 4 2007 Approved by Letter No. 09631514660 of the Ministry of Economic Affairs.
Note 2: April 15 2011 Approved by Letter No. 10031867740 of the Ministry of Economic Affairs.
Note 3: January 5 2012 Approved by Letter No. 10131505770 of the Ministry of Economic Affairs.
Note 4: April 25 2012 Approved by Letter No. 10131929720 of the Ministry of Economic Affairs.
Note 5: August 10 2012 Approved by Letter No. 10132364010 of the Ministry of Economic Affairs.
Note 6: November 30 2017 Approved by Letter No. 10633698680 of the Ministry of Economic Affairs.
Note 7: December 22 2017 Approved by Letter No. 10633760300 of the Ministry of Economic Affairs.
Note 8: August 29 2022 Approved by Letter No. 11101155800 of the Ministry of Economic Affairs.
Note 9: August 23 2023 Approved by Letter No. 11230153050 of the Ministry of Economic Affairs.
Note 10: October 23 2023 Approved by Letter No. 11230190820 of the Ministry of Economic Affairs.
Note 11: November 8 2024 Approved by Letter No. 11330113070 of the Ministry of Economic Affairs.

(II) Major Shareholders List (Shareholders with 5% or more ownership or the top ten shareholders by name, number of shares, and percentage)

March 22, 2025

Shares / Major Shareholder Name	Number of Shares Held (Shares)	Shareholding Percentage (%)
HsiangCheng Investment Co., Ltd.	18,222,293	26.66
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	10,440,316	15.28
Great Tree Investment Co., Ltd.	4,540,780	6.64
Cathay Sustainability Private Equity Fund Limited Partnership	4,396,363	6.43
JuiChao Investment Co., Ltd.	2,886,056	4.22
IVEN WEI	2,362,500	3.46
FENG-CHUN LIN	2,179,735	3.19
YUNG-LI LIN	2,086,650	3.05
TePen Investment Co., Ltd.	1,995,000	2.92
KUO-CHUNG LIN	1,943,670	2.84

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy

If the Company has profit after the annual final account, it shall, after paying taxes and covering accumulated losses, first set aside ten percent of the profit as legal reserve. However, this restriction shall not apply when the legal reserve has reached the amount of the paid-in capital. The remaining shall be appropriated as or reversed from special capital reserve in accordance with operating needs and legal requirements; and for the remaining amount, plus the accumulated undistributed earnings of previous years, the Board of Directors shall prepare the earnings distribution proposal and submit it to the shareholders' meeting for resolution and distribution.

The Company's dividend policy is formulated to align with current and future development plans, taking into account the investment environment, capital requirements, domestic and international competition, and shareholder interests. The Company shall allocate no less than ten percent of the current year's distributable earnings as dividends to shareholders. However, when the accumulated distributable earnings are less than ten percent of the paid-in capital, the Company may choose not to distribute dividends. When distributing dividends to shareholders, it may be in the form of cash or stock, with cash dividends constituting no less than ten percent of the total dividend distribution.

2. The Proposed (Approved) Dividend Distribution for the Current Year

The Company's the proposal for the distribution of the 2024 earnings was approved by the Board of Directors on February 18, 2025. It includes a cash dividend of NT$1 per share, totaling NT$67,345 thousand. Additionally, in accordance with Article 241 of the Company Act, a capital surplus of NT$67,345 thousand from the premium on issuing shares above par value will be distributed at NT$1 per share. In total, a cash distribution of NT$2 per share will be paid. Still pending approval and discussion at the Annual Shareholders' Meeting.

(IV) The impact of the proposed stock dividends on the Company's business performance and earnings per share this year: Not applicable.

(V) Employees’ and Directors’ Compensation

1. Percentage or Range of Employees’ and Directors’ Compensation Specified in the Articles of Incorporation:

   If the Company has profits at the end of the fiscal year, directors’ and employees’ compensation shall be allocated according to the following percentages: (1) Directors’ remuneration: not exceeding 6%. (2) Employee compensation: four to ten percent. However, when the Company still has accumulated losses, the amount required to offset such losses shall be set aside first, and then The distribution of the employees' and directors' compensations shall be allocated according to the aforementioned percentages.

2. The basis for estimating the amount of employees’ and directors’ compensation for the current period, the calculation basis for the number of shares for employees’ compensation distributed in stock, and the accounting treatment if there is a difference between the actual distribution amount and the estimated amount:

   The Company's estimated employee, director, and supervisor compensation is calculated according to the allocation percentages specified in the Articles of Incorporation and is recognized as salary expense. If there is a difference between the actual distribution amount and the estimated amount, it will be treated as a change in accounting estimate and adjusted in the profit or loss of the distribution year.

3. The status of compensation distribution approved by the Board of Directors:

   The amount of employee compensation and director/supervisor compensation distributed in cash or stock. If there is a difference from the estimated amount recognized as expense for the year, the difference amount, reason, and handling method should be disclosed:

   (1) The Company resolved and approved at the Board of Directors meeting on February 18, 2025, that the employees’ compensation and directors’ remuneration for the 2024 are NT$5,130 thousand and NT$3,847 thousand, respectively. The resolved distribution amounts match the expense amounts estimated for the 2024.

   (2) The ratio of employee compensation distributed in stock to the combined total of net income after tax for the current period and total employee compensation: None.

4. The status and results of compensation distribution reported to the shareholders' meeting:

   The Company's distribution of employees’ compensation and directors’ remuneration for the 2024 was resolved and approved by the Board of Directors on February 18, 2025, and will be reported at the 2025 Annual Shareholders' Meeting.

5. The actual distribution status of employees’ and directors’ compensation in the previous year (including the number of shares distributed, amount, and share price), and if there is any difference from the recognized employees’ and directors’ compensation, the difference amount, reason, and handling method should be described:

   The Company resolved and approved at the Board of Directors meeting on February 27, 2024, that the employees’ compensation and directors’ remuneration for the 2023 are

NT$4,341 thousand and NT$3,256 thousand, respectively. The actual distribution amounts have no difference from the expenses recognized for the 2023.

(VI) Status of the Company's share repurchase:

1. Status of the Company's share repurchase (completed)

Implementation Of The Repurchase Period	1st time in 2024
Purpose Of Implementation Of The Repurchase	Transfer of Shares to Employees
Repurchase Period	November 25, 2024 to January 24, 2025
Repurchase Price Range	NT$40 to NT$68. When the company's stock price falls below the lower limit of the specified price range, the company will continue to implement of the repurchase of shares
Type And Number Of Implementation Of The Repurchase Shares	Common Shares 1,000,000 shares
Repurchased Share Amount	NT$49,012,547
Ratio Of Shares Repurchased To Planned Repurchase Quantity (%)	100%
Number Of Shares That Have Been Canceled And Transferred	0 shares
Accumulated Number Of Shares Held By The Company	1,000,000 shares
Accumulated Number Of Company Shares Held As A Percentage Of Total Issued Shares (%)	1.46%

2. The status of the Company's repurchase of its own shares (still in progress): None.

II. Status of corporate bonds: Not applicable.

III. Status of preferred shares: Not applicable.

IV. Status of Global Depository Receipts (GDRs): Not applicable.

V. Status of employee stock options and restricted stock for employees: Not applicable.

VI. Status of issuing new shares for merger or acquisition of shares of other companies: Not applicable.

VII. Status of capital utilization plan implementation: Not applicable.

Chapter 4 Operational Overview

I. Business Content

(I) Business Scope

1. Main Content of the Company's Business Operations

A. Crop Cultivation Service Industry

B. Livestock Farm Management Business

C. Livestock and Poultry Breeding Industry

D. Livestock Service Industry

E. Slaughterhouse Industry

F. Canned, Frozen, Dehydrated and Preserved Food Manufacturing Industry

G. Baked and Steamed Food Manufacturing Industry

H. Ready-to-Eat Meal Manufacturing Industry

I. Unclassified Other Food Manufacturing Industry

J. Fertilizer Manufacturing Industry

K. Livestock and Poultry Wholesale Industry

L. Fruit and Vegetable Wholesale Industry

M. Other Agricultural, Livestock, and Aquatic Products Wholesale Industry

N. Food Groceries Wholesale Industry

O. Animal Feed Wholesale Industry

P. Fertilizer Wholesale Industry

Q. Agricultural Products Retail Industry

R. Livestock Products Retail Industry

S. Other Agricultural, Livestock, and Aquatic Products Retail Industry

T. Animal Feed Retail Industry

U. Grocery and Beverage Retail Industry

V. Fertilizer Retail Industry

W. International Trade Industry

X. Waste Disposal Industry

Y. Waste Treatment Industry

Z. In addition to approved businesses, the company may engage in any business not prohibited or restricted by laws and regulations

2. Revenue Proportion

Unit: NT$ thousand; %

Main Product Items	2023		2024	
	Amount	%	Amount	%
Fresh Eggs	903,488	78.64	993,305	81.49
Liquid Eggs	190,764	16.61	194,601	15.97
Egg Processed Products	22,279	1.94	23,651	1.94
Pullets	32,298	2.81	7,287	0.60
Total	1,148,829	100.00	1,218,844	100.00

3. Company's Current Products and Services

The Company's primary products include egg products and egg processing, with the current main products sold by the Company as follows:

Product Categories	Series
Fresh Eggs	Branded Eggs, Commercial Eggs, and Functional Eggs, etc.
Liquid Eggs	Liquid Eggs, such as: Egg White Liquid and Egg Yolk Liquid
Egg Processed Products	Soft-boiled Eggs, Egg Rolls, and Pudding, etc.
Pullets	Pullets

4. Planned Development of New Products and Services

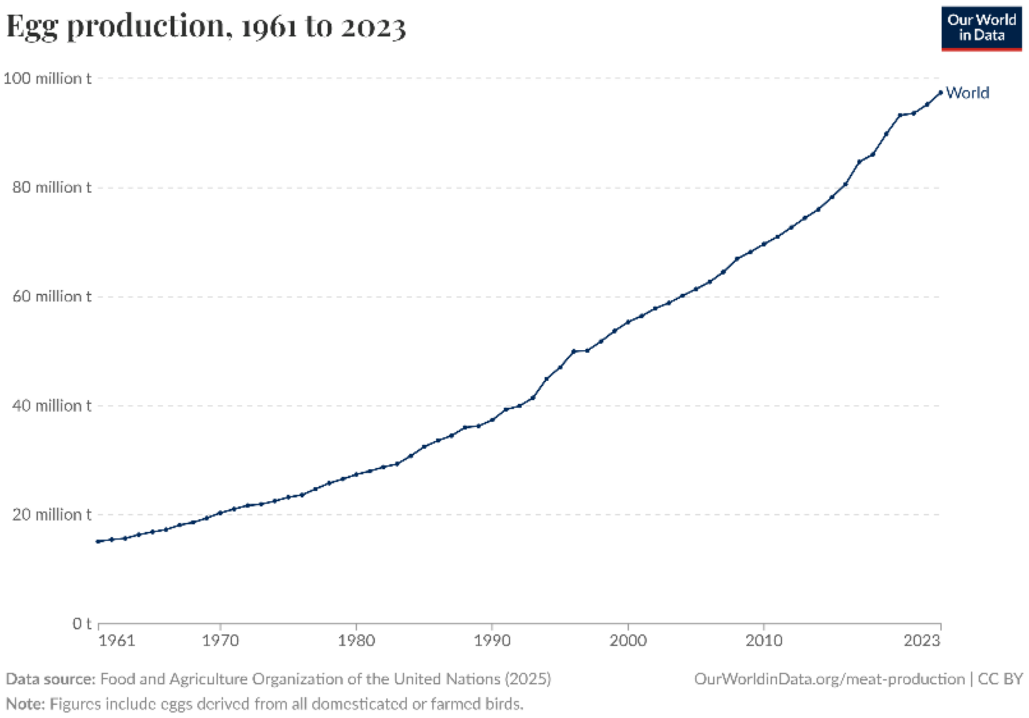
(1) Raw Chicken Eggs.

(2) Continue to develop egg-based processed products.

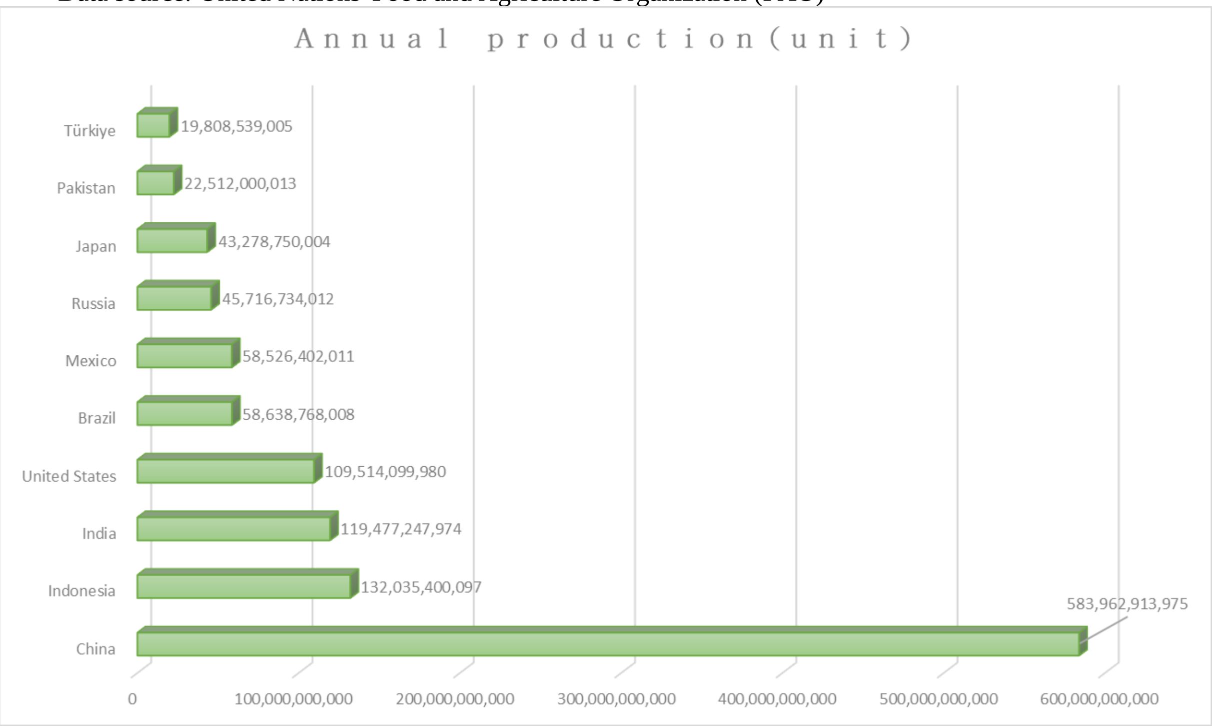
(II) Industry Overview

1. Current Status and Development of the Industry

According to the latest data released by the United Nations' Food and Agriculture Organization (FAO) in 2024, egg production has steadily increased over the past twenty years, rising from 15 million tons in 1960 to 97 million tons in 2023. Asia is the world's main production region, with Asian egg production accounting for more than 60% of global egg output in 2023. Among all regions, Asia also has the highest growth rate in chicken egg production. China is the world's largest producer, ranking first in the world since 1985. The main production areas include Shandong, Hebei, Henan, Hubei, and Liaoning regions, with production reaching approximately 35 million tons in 2023, accounting for 37% of global egg production. India ranks second, followed by the United States, with its main production areas in Indiana, Pennsylvania, Ohio, Iowa, and California. The European Union (EU-27) follows closely behind. These four major regions account for 58% of the world's egg production. According to the United Nations' Food and Agriculture Organization (FAO) forecast, global chicken egg production will increase by 60% from 2010 to 2050.



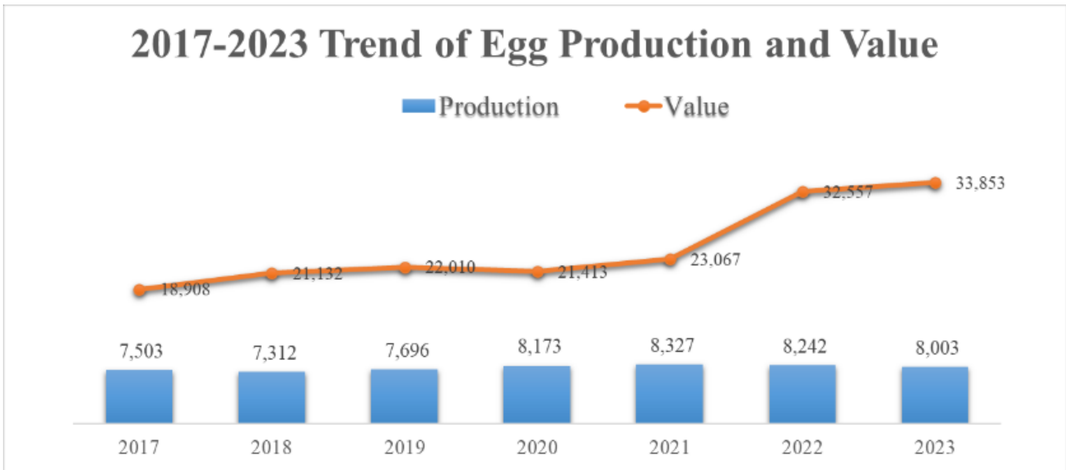
Data source: United Nations' Food and Agriculture Organization (FAO)



Top 10 egg-producing countries in 2022
Data source: The latest data from the World's Top Poultry Companies survey

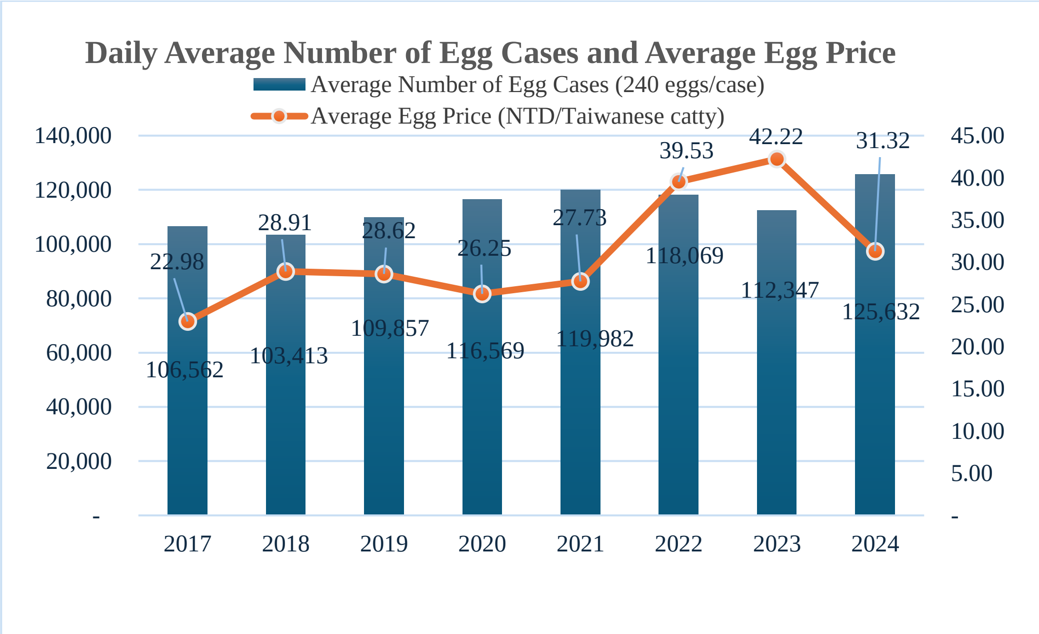
The historical development of Taiwan's egg industry from the 1980s to 1990s trended toward concentrated production and professional division of labor (breeder farms, hatcheries, pullet farms, and layer farms). In this context, egg producers in Changhua region benefited from favorable local conditions, such as the successful promotion of floriculture and intensive crops like grapes, and were able to increase their income by selling organic fertilizer. These advantages allowed them to continuously expand into an industrial cluster that accounts for the largest share of the nation's egg production. After 2000, due to economic diversification, robust development, increased non-agricultural employment opportunities, and continuously rising labor and land costs, the layer farming industry gradually developed in two directions: intensive specialized production in areas near industrial and commercial cities such as Taichung and Kaohsiung, while small-scale diversified operations with approximately 20,000 chicken units developed in rural towns and regions far from metropolitan areas. The former expanded their operational scale through capital investment, utilizing multi-level cage automation equipment combined with elevated or enclosed chicken houses to improve production efficiency and achieve economies of scale to reduce production costs—these are professional farming operations. The latter utilized farm families' own labor, adopted traditional open chicken houses, and managed small-scale operations that included agricultural crops, horticultural products, and layer hens.

Given that over 90% of Taiwan's chicken houses are still traditional open-style facilities, Taiwan's Ministry of Agriculture is currently promoting the "Smart Agriculture Poultry Industry Project." This initiative introduces smart production and digital services into the poultry industry chain, integrating sensors, environmental control equipment, and network information communication technology. Through the digitization of farming experience and intelligent regulation mechanisms, the project aims to standardize feeding techniques and optimize poultry growth models. This will reduce poultry disease infection, improve hatching rates and rearing success rates, and enable the inheritance of farming experience through accumulated data. Simultaneously, it will achieve labor-saving goals, solving the industry's labor shortage problem, gradually moving the layer hen industry toward smart and professional management models, and effectively enhancing the overall competitiveness of the industry.



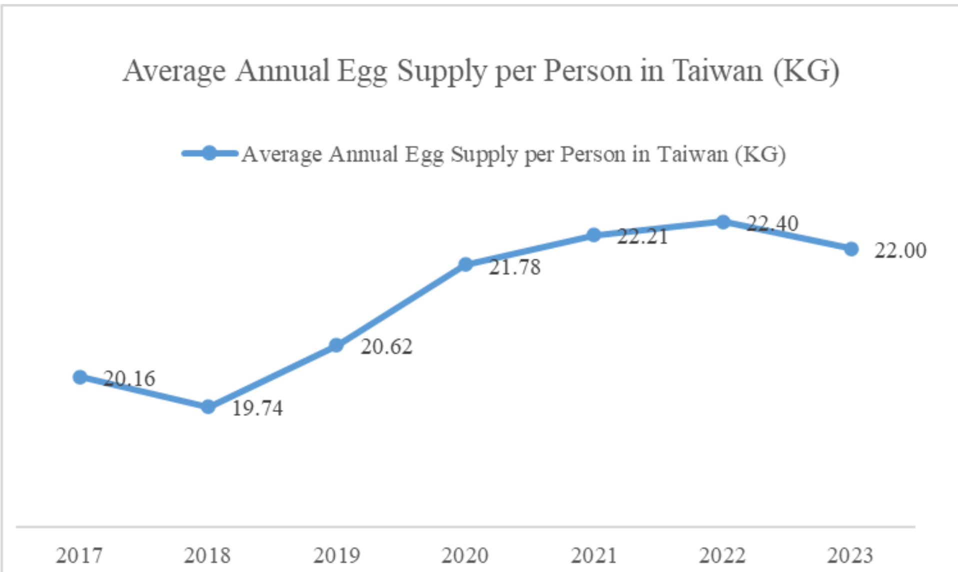
Data source: Agricultural Statistical Yearbook_2023 Agricultural Statistical Yearbook

According to the third quarter agricultural statistics of 2024 from the Council of Agriculture, Ministry of Agriculture, Taiwan has approximately 46.78 million laying hens in production, with about 2,237 farms. Layer hen farming is mainly concentrated in Changhua, Pingtung, Chiayi, and Tainan regions. Due to the importance of freshness in egg products, eggs themselves do not store well and are easily broken, making them unsuitable for long-distance transportation. Domestic egg supply is almost entirely produced and supplied locally in Taiwan. According to statistics, in 2017, domestic egg production and value were 7.5 billion eggs and NT$18.9 billion respectively. In recent years, the layer hen industry has faced threats such as avian influenza, making poultry disease prevention, health management, and feeding management increasingly important. This has coincided with rising prices of bulk raw materials and increased costs of international shipping and fuel. On the demand side, the domestic market has continued to grow due to demand from food, catering, and bakery sectors. By 2023, domestic egg production and value had grown to 8 billion eggs and NT$33.85 billion.

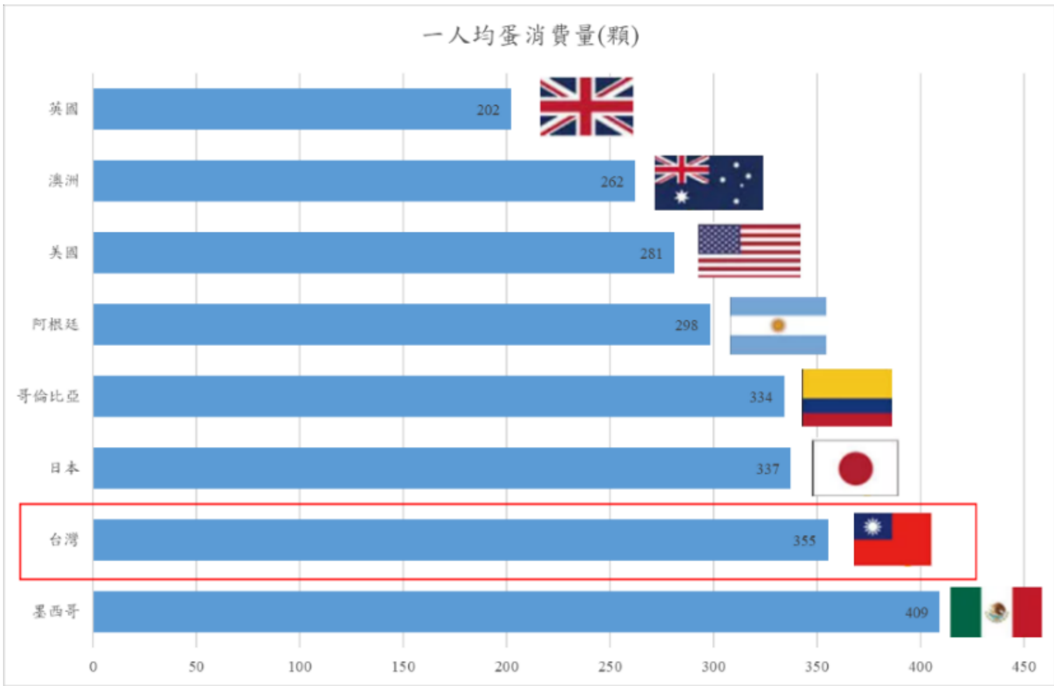


Data source: Chinese Poultry Association

Since eggs are rich in protein, easy to cook and use in various dishes and pastries, they are an important source of daily protein for the Taiwanese people. Additionally, processed products containing eggs have been increasing year by year, and with the recent health and wellness trends, the demand for eggs among the population has been growing annually. This has caused the average daily egg production to gradually increase from 103,413 crates in 2018 to 125,632 crates in 2024. The average farm-gate egg price, except for dropping to NT$26.25 in 2020 when the COVID-19 pandemic severely impacted the food service industry, has climbed to NT$42.22 in 2023 due to avian influenza outbreaks and soaring feed costs since 2021, creating a supply-demand imbalance. To address the egg shortage caused by avian influenza since 2021, the government introduced breeding hens, which led to market oversupply in 2024, causing the average egg price to fall to NT$32.32.



Data source: Agricultural Statistics Yearbook



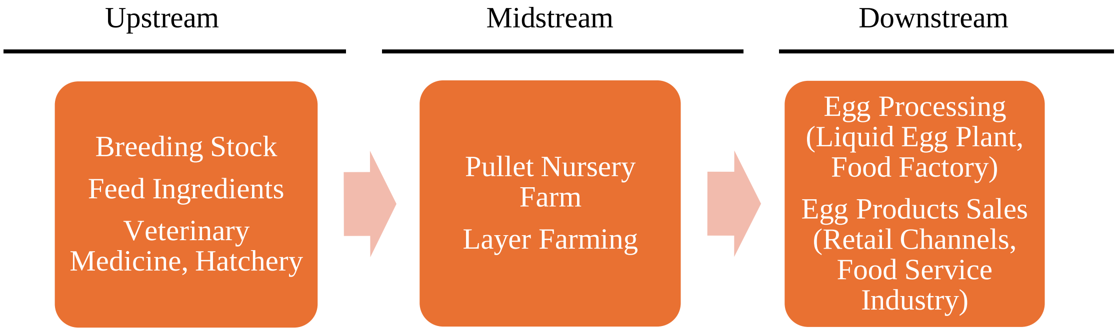
Data source: Agricultural Statistics Yearbook of the Ministry of Agriculture; provided by poultrymed website

According to the Agricultural Statistics Yearbook of the Council of Agriculture, Executive Yuan, in Taiwan's self-production and self-marketing model, the average annual egg consumption per person in 2017 was 20.16 kilograms (calculated at an average egg weight of 60 grams, approximately 336 eggs), gradually increasing to about 22.00 kilograms per person annually by 2023 (calculated at an average egg weight of 60 grams, approximately 367 eggs). Compared to other countries around the world, this consumption level ranks second, only behind Mexico's 405 eggs.

Overall, eggs are nutritionally rich. The egg white portion is not only rich in protein but also contains small amounts of B vitamins and folic acid. The egg yolk contains lecithin, vitamins, and minerals, including vitamins A, B12, D, folic acid, calcium, and potassium, making eggs an excellent source of nutrition. With the modern fitness trend encouraging increased protein intake, along with the continuous growth of domestic markets such as food, catering, and baking demands, public demand for eggs has been increasing year by year. Additionally, the government has introduced breeding hens to increase production capacity in response to avian influenza and global egg shortages caused by climate change, which has further driven the growth trend in the egg industry demand.

2. Relationship between Upstream, Midstream, and Downstream Industries

The Company primarily engages in the rearing of pullets and laying hens, and sells fresh eggs and egg products. The Company's egg products are mainly sold directly as shell eggs, primarily supplying chain convenience stores, fast food restaurants, etc. In addition, due to eggs' processing characteristics such as heat coagulation, foaming properties, emulsification, and gel formation, they are widely used in the food industry, bakery industry, and food service distribution channels. The upstream, midstream, and downstream industries of the Company are organized as shown in the following diagram:



3. Product Development Trends

(1) Smart upgrade of poultry houses to enhance egg production efficiency

Items	Traditional type/A-type/Upright type	New style/Enclosed water curtain negative pressure environmental control	Council of Agriculture's announcement of the three major friendly farming methods: "Enclosed Flat Feeding
Hardware construction cost	Average NT$400~500 per unit	Average NT$1,000 per unit	Average NT$2,000 per unit
Temperature variation	Open environment, heat and cold alternate following outdoor climate changes	Enclosed environment, with environmental control facilities (heating during cold weather, cooling during hot weather)	
Egg production rate	Typically around 70%, decreasing to 50% during cold weather	At least 80%, comparable to 85% in European, American, and Japanese markets	80-85%, comparable to 85% in European, American, and Japanese markets
Disease prevention	*Several deficiencies in disease prevention *More likely to share feed with wild birds carrying avian influenza virus *Rats and insects can easily enter	1. Clear disease prevention controls 2.Preventing wild birds from accessing feed 3.Rats and insects cannot easily enter	
Chicken manure	Chicken manure falls directly downward and accumulates, Not easy to clean Easy to breed diseases	Manure is transported by manure conveyor belt Regular cleaning and removal	Under environmental control, with components like rice husks, diatomaceous earth, etc., difficult to view. Already dried: no need for exposure (can be marketed as organic fertilizer products for agricultural economic recycling when removed with chickens, promoting reuse)
Space per chicken	Commonly known as '1 sheet of A4 paper', high-density breeding	Does not necessarily comply with animal welfare standards of 750 square centimeters of space per chicken • Unless using EU legally required enriched cages	Each square meter limited to 9-10 chickens
Cycle operation	Unable to coordinate input and output • Difficult to predict the time and quantity for replenishment • Unfavorable for upstream breeding supply	Coordinated input and output, can predict the time and quantity for replenishment, convenient for middle-stage chicken farm breeding supply	

Source: Council of Agriculture Publication "Agricultural Policy & Information", May 2023

In layer farming, there are currently three main types: traditional farms, elevated floor farms, and closed water curtain farms. Traditional farms are open buildings with a lower level of mechanization, with semi-automatic feed delivery, while egg collection is mostly done manually. Elevated floor farms are more mechanized two-level semi-open buildings, with layers housed on the upper level and manure collected on the lower level. Besides allowing mechanical cleaning, separating excrement from chickens promotes coop hygiene and manure composting. Closed water curtain farms are enclosed buildings equipped with water curtain temperature control systems that use heat exchange to lower the temperature of air entering the coop and maintain negative pressure, ensuring air circulation inside. According to the 2023 Taiwan

Poultry Statistics Handbook, of the 1,788 layer farms in Taiwan, only 141 modern water curtain farms and 288 elevated floor farms exist, while the remaining 79.36% are traditional coops. Since traditional farms struggle with maintaining complete production records, disease control, and efficiently improving productivity and yield rates, the Council of Agriculture plans to promote Smart Agriculture initiatives combining advanced cross-domain technologies (such as IoT, ICT, and big data analysis) and introducing sensors to effectively collect data and provide more efficient management models. Many operators have already converted to new facilities like closed systems, water curtain systems, and environmental control management to replace traditional coops with their inefficient operations and poor disease prevention. The industry is gradually moving toward smart and professional management models to effectively enhance overall competitiveness.

(2) Rise of global humane farming concepts, focusing on economic animal welfare issues

With the rise of humane farming concepts, the EU took the lead in banning "battery cage" layer farming in 2012, with other countries following suit. Globally, over 2,000 multinational companies have successively introduced policies to use cage-free eggs to protect consumer and animal health. Following this global trend, the Ministry of Agriculture has also begun planning to replace traditional cage farming with enriched cage farming, floor raising, or free-range methods. In recent years, Taiwan's retailers and food businesses have synchronized with international trends, responding to rising consumer awareness and market transformation. With chain retailers actively promoting animal welfare egg products on their shelves, this is expected to create opportunities for transformation in the egg industry.

(3) Promoting comprehensive egg washing, sorting, individual stamping, and traceability implementation

To enhance the hygiene and safety quality of processed and fresh eggs, the Council of Agriculture, Executive Yuan (now restructured as the Ministry of Agriculture) officially implemented the egg stamping traceability labeling policy starting January 1, 2022. Through promoting the egg stamping policy, they aim to implement batch production management of source eggs to achieve the goal of traceability for each egg back to its washing and sorting plant and source farm. This enhances producers' self-management and production responsibility, effectively controls egg traceability, reduces food safety risks, and protects the rights of both producers and consumers. Additionally, during the process from production to transportation, if eggs undergo washing and sorting, this can reduce contaminants such as chicken feces and bacteria remaining on eggshells, preventing Salmonella infection issues. Comprehensive egg washing and sorting will continue to be a policy promoted by the government.

(4) Resource utilization of agricultural waste, promoting a complete and environmentally friendly circular agricultural economy

In recent years, human activities have caused significant impacts on natural environmental systems, leading to many climate change-related impacts on health, food, water resources, social and land aspects. As a result, the United Nations adopted the 2030 Agenda for Sustainable Development in 2015, proposing 17 core Sustainable

Development Goals (SDGs) for global sustainable development, more than half of which are related to agriculture. At the same time domestically, environmental protection, agriculture, and economic ministries are responding to this international trend by following the principles of sustainable utilization of natural resources through circulation. They have established relevant regulations for agricultural waste reuse, encouraging businesses to adopt new agricultural production methods such as bioeconomy, circular economy, organic agriculture, and smart agriculture. These approaches move toward not relying on synthetic chemicals (such as pesticides) and utilize biological resource conservation and effective utilization technologies. This not only produces safe, hygienic, and high-quality agricultural products but also reduces the environmental impact of agricultural, food, and certain industrial production. These efforts actively address the concrete measures needed to achieve the 2050 net-zero carbon emissions goal established in the post-Kyoto Protocol COP26, including agricultural carbon sinks, agricultural green energy, and circular agriculture.

4. Competitive Situation

The Company maintains healthy chickens through feeding management and nutritional enhancement to produce high-quality eggs, and adopts a fully automated washing and sorting process with strict and precise quality control while obtaining food safety management system certification, dedicated to operating and maintaining its own brand.

As the market demand for cage-free eggs increases, the Company actively collaborates with animal-friendly farms to improve the proportion and quality of cage-free eggs (animal welfare eggs), thereby enhancing competitiveness in the market, while also focusing on promoting the production and sales of functional eggs, such as lutein eggs and eggs suitable for raw consumption, expanding market share by offering diverse product options. The Company emphasizes differentiated marketing strategies through brand building, packaging design, and various marketing activities to enhance brand recognition and loyalty.

(III) Technical and Research & Development Overview

1. Technical Level and Research & Development of Business Operations

The fresh eggs produced by the Company are all from commercial layer hens produced through long-term proper breeding planning by internationally renowned breeding companies. By following their management manuals, we optimize the environment, feed nutrition, and immunity to exceed the production indicators specified in the management manuals. We have obtained HACCP, CAS, and ISO22000 quality assurance system certifications, with complete control from day-old chicks, ensuring no drug residues and compliance with all food safety and hygiene requirements. We continue to develop and improve feed nutrition control for eggshell quality, disease control, and research and development of various innovative technologies.

2. Research & Development Personnel and Their Educational and Professional Background

Unit: person

Education \ Year	2021		2022		2023		2024	
	Number of People	Proportion (%)	Number of People	Number of People	Number of People	Proportion (%)	Number of People	Proportion (%)
Doctorate	—	—	—	—	—	—	—	—
Master's Degree	4	50.00%	4	50.00%	3	33.33%	3	33.33%
College Degree	3	37.50%	3	37.50%	6	66.67%	6	66.67%
Senior High School	1	12.50%	1	12.50%	0	0.00%	0	0.00%
Total	8	100.00%	8	100.00%	9	100.00%	9	100.00%

3. Research and Development Expenses Invested in Each of the Last Five Years

Unit: NT$ thousand; %

Items	2020	2021	2022	2023	2024
Research and Development Expenses	6,783	9,372	12,662	13,528	10,253
Net Operating Revenue	649,369	753,443	1,191,880	1,148,829	1,218,844
Percentage of Net Operating Revenue	1.04%	1.24%	1.06%	1.18%	0.84%

4. Successfully Developed Technologies or Products

The Company's major research and development achievements in the last three years are listed as follows:

Year \ Item	Successfully Developed Technologies or Products
2022	1. Development of Egg Production Performance Monitoring and Management Technology for Layer Houses
2023	1. Implementation of the Data Collection Specialist Project to Analyze Chicken Growth Patterns 2. Implementation of interactive business intelligence dashboards, automated data collection processes, and addition of external characteristic information.
2024	1. Development of Raw Food Grade Egg Products

(IV) Short-term and Long-term Business Development Plans

1. Short-term Business Development Plan

(1) Creating value through own brand management to expand market share.

(2) Construction of Taiwan's largest egg cleaning, grading, and processing plant to expand production capacity to meet market demand.

(3) Continuing to deepen food safety.

(4) Actively developing new products.

(5) Promoting sustainable development and carbon reduction plans.

2. Long-term Business Development Plan

(1) Development and Layout Promotion of the Egg Market

(2) Integrating resources to create market synergies.

(3) Promoting a friendly circular agricultural economy.

II. Market and Production/Sales Overview

(I) Market Analysis

1. Major Sales (Service) Regions for the Company's Main Products (Services)

Unit: NT$ thousand

Region	2023		2024	
	Amount	Amount	Amount	%
Taiwan	1,148,829	1,148,829	1,218,844	100.00%

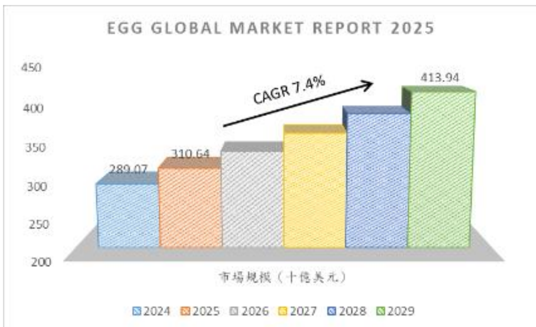
2. Market Share

According to agricultural statistics from the Ministry of Agriculture of the Executive Yuan, the total egg production value in Taiwan for the 2023 was approximately NT$33,852,520 thousand. The Company primarily engages in branded egg sales, with egg production values of approximately NT$635,232 thousand and NT$818,510 thousand for 2023 and 2024, respectively. Based on these figures, the Company's estimated domestic market share is approximately 1.88~2.42%, indicating significant room for future operational growth. As the Company's brand visibility continues to increase, farm expansion progresses, and smart systems for layer hen farming are implemented to comprehensively enhance production efficiency, the domestic market share is expected to further increase.

3. Market Supply, Demand, and Growth Potential

According to research data from The Business Research Company, the global egg market will grow from US$289.07 billion in 2024 to US$310.64 billion in 2025, and is projected to reach US$413.94 billion by 2029, with a compound annual growth rate of 7.4%.

The continuous global population growth has significantly boosted demand and consumption of animal protein. Additionally, as consumer lifestyles evolve, there is an increasing demand for processed egg products that offer both convenience and safety, thereby driving market growth. Furthermore, technological innovations applied to poultry farming, egg storage, and processing effectively improve production efficiency and product quality, injecting momentum into market expansion.



Source: The Business Research Company

4. Competitive Advantages

(1) Management Team with Rich Professional Experience

The Company's management team has worked in the industry for many years and has extensive experience in various aspects including industry environment changes, product development trends, manufacturing, and marketing. The team can quickly grasp market trend dynamics and provide timely professional and comprehensive services to customers, which significantly benefits the promotion and market development of the Company's existing products such as branded eggs, business eggs, functional eggs, and various egg processed products like egg rolls.

(2) Transforming into an intelligent and specialized agricultural management model with rich farming techniques

The Company's farms all adopt enclosed water curtain air conditioning systems and automated egg collection and poultry manure processing systems, preventing contact between wild birds or natural environment birds with laying hens, thus reducing the probability of avian disease outbreaks. With over ten years of accumulated breeding data, the Company possesses Taiwan's most comprehensive farming database, and has introduced AI to integrate this data to the cloud, compiling it into key reports. Through critical production indicator forecasting and anomaly alerts, this provides optimized operational decision-making capabilities. Additionally, the Company has established standardized laying hen farming procedures, using scientific methods to identify optimal breeding approaches, enhance farming management efficiency and production forecasting, ensuring egg production rates maintain stable levels.

(3) Established our own brand "Dawushan Farm," with independent control of marketing channels

The Company owns the self-brand "Dawushan Farm," targeting the mid to high-end egg product market. Sales channels include major chain supermarkets and hypermarkets across Taiwan such as Carrefour and other major chain outlets, as well as food service businesses including McDonald's, Good Morning MACC, Mitsui Group, Marugame Seimen and other chain restaurants. The Company independently controls its product sales channels, breaking free from traditional egg product distribution through wholesalers, maintaining initiative while expanding channels and diversifying its layout. Additionally, the Company collaborates with many well-known brands and continues to promote through advertising and marketing, effectively extending the brand's reach to different generational groups, thereby diversifying market risks. In recent years, the Company has increased its own brand layout, while also increasing the proportion of animal welfare product lines and functional eggs, enhancing the Company's brand awareness and market share.

(4) Emphasizing food safety issues, protecting consumer rights

With consumers increasingly valuing food safety, the Company has already obtained HACCP, CAS, and ISO22000 quality certifications. We implement comprehensive control measures from day-old chicks, ensuring no drug residues and compliance with all food safety and hygiene standards. We continuously improve feed nutrition control, disease management, and research and development of various breeding techniques that affect fresh egg quality. The factory is equipped with fully automated egg washing and sorting equipment, with eggs going through a 14-step washing and sorting process, complemented by UV sterilization lamps and waxing technology to extend freshness. Eggs are printed with complete production and marketing records for traceability and transported at a refrigerated temperature of 7°C to effectively control the risk of disease vector proliferation. The Company has also established a food safety center, where professional quality assurance personnel conduct daily inspections and record-keeping for each batch of eggs, ensuring the rights and interests of customers and consumers are protected.

(5) Practicing ecological sustainability, promoting sustainable agriculture

While providing high-quality nutritious fresh eggs, the Company also incorporates the concept of circular economy into its production model by converting chicken house excrement into organic fertilizer through self-built composting facilities, promoting sustainable planting practices among local farmers. In recent years, ecosystems have been severely affected by the use of chemical fertilizers and pesticides, causing a significant decrease in bee populations and preventing natural pollination of crops. The Company has actively facilitated partnerships between farmers and young beekeepers, engaging in soil improvement and bee rehabilitation programs through cross-industry collaboration between livestock and agriculture sectors. Working together with food service businesses to continue purchasing sustainably grown fruits and vegetables, we not only achieve the sustainable goal of "Zero Waste" but also create a healthy cycle of ecological diversity, accelerating and deepening positive relationships with ESG sustainability-minded suppliers, channel partners, and consumers.

5. Favorable and unfavorable factors for development prospects and response strategies

(1) Favorable factors

A. Taiwan's branded egg market shows a trend toward market segmentation and specialization

As times have evolved, personal purchasing power has significantly increased, and consumer awareness has gradually risen. Requirements for food now focus on sophistication and safety. Demands for egg products are no longer limited to the distinction between brown and white shells. There are eggs that emphasize traceable sourcing and small-farm credentials, as well as functional eggs fortified with nutrients such as lutein and Omega-3. In recent years, with the rise of animal welfare consciousness and strong promotion by distribution channels, the proportion of cage-free eggs emphasizing humane raising, floor raising, or free-range practices has been increasing annually. As Taiwan's egg market becomes more mature, consumer demand will trend further toward market segmentation and specialization.

B. Government policies promoting smart agriculture enable the transformation and upgrading of the poultry industry

The Ministry of Agriculture has stated in its policy plan that it will promote the modernization of the poultry industry, expanding the use of precise data management in the poultry sector, strengthening the implementation of automated smart labor-saving equipment, improving production efficiency, stabilizing domestic poultry production and supply, enhancing the traceability management of domestic poultry products, establishing market segmentation, and strengthening product innovation and value-adding.

C. The Company's brand awareness is increasing year by year

As the Company has focused on the domestic branded egg market in recent years, its brand awareness has continuously increased. We have successively obtained certifications from well-known domestic and international food manufacturers, major supermarkets, and hypermarkets, securing stable orders. At the same time, we continuously improve egg quality, provide comprehensive services, and maintain stable delivery schedules, thereby establishing a solid customer base. In the future, the Company will continue to expand various niche egg products (such as animal welfare eggs and functional eggs), and deepen customer service to enhance customer loyalty and increase brand value.

D. Rising consumer food safety awareness makes improving egg quality a top priority

The ink-jet printing of traceability information on individual eggs is already an international trend. The Council of Agriculture hopes that by promoting the egg printing policy, it can implement batch production management for source eggs. Each egg can be traced back to its washing and sorting plant and source farm, strengthening producers' self-management and production responsibility, effectively controlling egg traceability, reducing food safety risks, and protecting the rights of both producers and consumers. The government has been gradually advancing the egg printing policy, strengthening guidance for washing and sorting operations at processing facilities, and implementing verification of traceability information registration for incoming raw eggs and outgoing processed eggs. This aims to increase the market share of washed fresh eggs and enhance egg food safety, thereby promoting industrial structure adjustment, accelerating industry upgrading and transformation, and establishing an image of high-quality domestic egg products.

(2) Unfavorable Factors and Response Strategies

A. Raw material costs continue to rise

Domestic bulk raw materials such as corn and soybeans all rely on imports, with purchase prices based on international futures prices. Under the changing uncertainties of the global economic environment, climate, foreign exchange markets, and futures, control of raw material prices is difficult. In early 2022, factors such as accelerated tightening by central banks worldwide, economic slowdown in Europe and the United States, and a strong US dollar affected the cost control of chicken feed.

Response Strategies

a. The Company has established a long-term positive interactive relationship with raw material suppliers to ensure stable supply of feed sources, and is improving feeding management efficiency through AI smart methods to reduce feed costs.

b. The Company's fresh egg products are sold through major retailers in Taiwan, with sales channels under our direct control. When feed prices rise significantly, causing production costs to increase, we can promptly reflect these higher production costs in product selling prices to mitigate the risk of rising costs.

B. Poultry Disease Risk

Poultry disease is one of the bottlenecks in the development of the poultry farming industry and a major risk for poultry farming. The Company's layer hen farming business faces diseases mainly including avian influenza, Newcastle disease, Marek's disease, etc. Taiwan is located on the seasonal migration route of migratory birds, and avian influenza viruses can be introduced through cross-border migration of wild birds. Once major diseases emerge and spread over large areas, they will cause decreased egg production rates or abnormal deaths in layer hens, resulting in economic losses and increased operational costs.

Response Strategies

a. The Company uses fully automated closed water curtain poultry houses to raise layer hens, with temperature-controlled air conditioning inside the chicken houses and very strict control of personnel entry and exit. Farm staff constantly observe the health condition of the chickens to detect sick birds early and provide active treatment. Additionally, the Company thoroughly disinfects personnel and vehicles entering and exiting the premises, and regularly disinfects the surrounding environment and roads of the production bases to prevent disease transmission.

b. The Company has a professional veterinary team that continuously dedicates itself to chicken rearing management, nutritional regulation, and disease control. It applies the concept of "preventive medicine" to make rapid adjustments before chickens develop diseases, in order to maintain the stability of farm production.

C. Food Safety Risk

With the increasing consumer awareness of food safety and strengthening consciousness of rights protection, relevant government departments are continuously enhancing supervision of food safety. Control requirements for egg product food safety are implemented at multiple stages, including feed production and farming. If the government further raises relevant standard requirements in the future, businesses will need to further increase quality control and testing investments at various production stages, which will ultimately lead to higher production costs.

Response Strategies

a. The Company has established a Food Safety Department, which is responsible for daily inspection operations such as sampling and ingredient analysis of feed inputs to reduce hazards caused by feed quality. For the produced egg products, the department plans and implements testing for E. coli, veterinary drug residue tolerance, pesticide residue capacity, heavy metals, microorganisms, dioxins, and polychlorinated biphenyls, to ensure that product quality complies with health regulations and to reduce food safety risks.

b. Through rearing management and enhanced nutrition, we maintain healthy chickens that produce high-quality eggs. We use a fully automated washing and selection process, implement strict and precise quality control, and have obtained food safety management system certification. We are committed to operating and maintaining our own brand, providing consumers with safe, hygienic, high-quality fresh eggs, giving consumers the most reassuring health guarantee.

c. With the increasing attention to food safety, the Company has passed HACCP, CAS, and ISO22000 quality certifications, and has established product traceability records, strictly monitoring food safety to protect the rights and interests of customers and consumers.

D. Labor supply and demand imbalance, making it difficult to recruit entry-level employees

In recent years, there has been a domestic labor shortage, with the agricultural and livestock industry being the first to be impacted due to its working environment and job nature. This has caused businesses to face difficulties in recruiting entry-level workers, high personnel turnover rates, and changes in the labor force structure, becoming a common predicament faced by domestic livestock farms.

Response Strategies

a. The Company adopts a closed-type water curtain air conditioning system, automated egg collection, and poultry manure treatment system, which not only significantly reduces labor costs but also lowers the risk of disease transmission caused by personnel entering and exiting with pathogens.

b. In addition to applying for the introduction of foreign workers to supplement entry-level labor needs, the Company also strengthens industry-academia collaboration, cooperates with human resource agencies, and increases recruitment channels to diversify the sources of new entry-level employees, in order to fill the shortage of basic operational personnel.

c. Through strengthening employee pre-job and on-the-job training, we aim to improve personnel quality and productivity. We actively enhance various employee benefits, distribute employee compensation and year-end bonuses, share operational results with employees, increase employee identification with the company, and reduce employee turnover rates. In addition, we plan to engage in industry-academia collaboration with colleges and universities to increase channels for talent acquisition.

E. Rise of numerous competitors in the high-end branded egg market, intense competition

Due to the shortage of high-end branded eggs in the domestic market, coupled with the government's strong promotion of the development and improvement of the egg washing and grading industry, future progress will gradually move toward "comprehensive washing and grading." Eggs will necessarily be processed through centralized washing and grading facilities, and a grading system will be used to establish good brands and favorable pricing. Industry peers Great Wall and CP Group are optimistic about industry development, and their invested companies have respectively engaged in egg washing and grading facility investment plans, making future competition in the high-end branded egg market increasingly intense.

<u>Response Strategies</u>

a. The Company has partnered with Japan's TAMAGO&COMPANY (Ise Foods) to introduce century-old Japanese breeding and management technologies. TAMAGO&COMPANY (Ise Foods) serves as a consultant, providing support resources for production system reform, product research and development, and breeding management techniques. The Company will also assist in improving the breeding management of cooperative farms and share production and marketing channels. In the future, products from cooperative farms will be gradually expanded to Japanese food service industry channels.

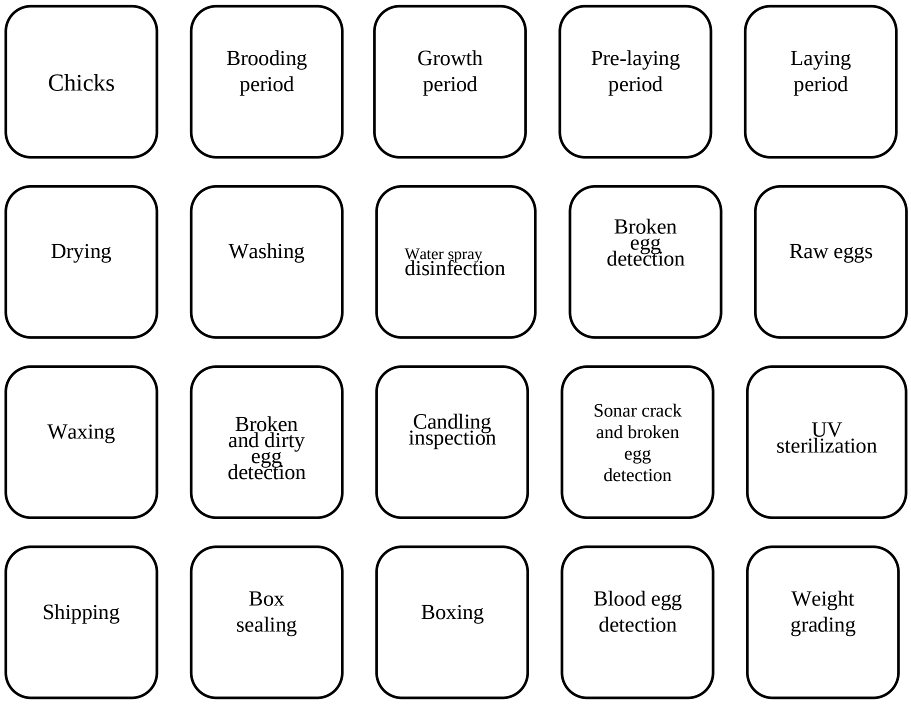
b. In recent years, with the rise of animal welfare awareness, the Company has strengthened cooperation with humane farming, free-range, or pasture-raised animal-friendly farms, resulting in a yearly increase in the proportion of non-caged eggs (such as animal welfare eggs) in the Company's product lineup. In addition, we continue to vigorously promote the production and sales of functional eggs (such as lutein eggs and eggs for raw consumption), increasing the added value of fresh eggs, strengthening our differentiated marketing strategy, and thereby expanding the Company's operational scale.

(II) Main product applications and production processes

1. Key applications of main products

The Company's egg products are mainly sold directly in shell form. Besides being consumed in citizens' daily lives, they are also supplied to fast food restaurants, chain hypermarkets, etc. Furthermore, due to eggs' processing characteristics such as heat coagulation, foaming, emulsifying, and gelling properties, they are widely used in the food industry, home cooking and baking, and food service distribution channels.

2. Main product production process



(III) Supply status of main raw materials

The Company's main raw materials are feed, packaging materials, and chicks. The Company's main suppliers are all long-term cooperative vendors, and both parties maintain good and stable cooperative relationships, with stable production and sufficient supply.

(IV) List of major suppliers and customers

1. Names of suppliers that accounted for more than ten percent of the total purchase amount in any of the last two years, along with their purchase amounts and proportions, and explanations for any changes in these figures.

Unit: NT$ thousand; %

Ranking	2023				2024			
	Name	Amount	Percentage of net annual purchases	Relationship with the issuer	Name	Amount	Percentage of net annual purchases	Relationship with the issuer
1	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	352,998	57.87	Parent company	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	296,527	48.88	Parent company
2	FENG-CHUN LIN	99,047	16.24	Chairperson	P1	113,771	18.76	None
	Others	157,895	25.89	—	Others	196,317	32.36	—
	Net purchase amount	609,940	100.00	—	Net purchase amount	606,614	100.00	—

Note: As of the printing date of the annual report, listed companies or companies whose stocks are traded in the securities dealers' business offices should also disclose the latest financial information that has been audited or reviewed by accountants.

Reason for increase/decrease:

The Group's main purchase item is feed. The purchase amount from Kuo Hsing Poultry & Livestock Feeds Products decreased in 2024, mainly due to the Company developing other suppliers for feed supply, partially purchasing feed from other suppliers, as well as the decrease in prices of bulk agricultural raw materials.

2. Names of customers who have accounted for more than ten percent of the total sales in any of the last two years, their sales amounts and proportions, and explanation for the reasons of increase or decrease

Unit: NT$ thousand; %

Ranking	2023				2024			
	Name	Amount	Percentage of total annual net sales	Relationship with the issuer	Name	Amount	Percentage of total annual net sales	Relationship with the issuer
1	S4 Company	298,258	25.96%	None	S4 Company	299,333	24.56%	None
2	S8 Company	171,232	14.90%	None	S8 Company	210,917	17.30%	None
3	S3 Company	148,934	12.96%	None	S3 Company	172,565	14.16%	None
	Others	530,405	46.18%	—	Others	536,029	43.98%	—
	Net Sales	1,148,829	100.00%	—	Net Sales	1,218,844	100.00%	—

Note: As of the date of the annual report printing, companies that are listed or whose stocks are traded at securities firms should also disclose the most recent financial information audited or reviewed by accountants.

Reason for increase/decrease:

The Group's products are mainly sold to well-known convenience stores, supermarkets, food processing manufacturers and food and beverage distribution channels. The customers are diverse and dispersed, with supply quantities to various channels adjusted according to sales strategies and product structure, without concentration on any single customer. The change in revenue from major customers is mainly due to the variation in demand from their end consumers.

III. Employee information for the last two years and up to the date of the annual report printing

Unit: Person; %

Year		End of 2023	End of 2024	Year 2025 up to the date of the annual report printing
Number of employees	Managerial staff and above	12	13	12
	Breeding staff	76	88	84
	Support staff	100	121	118
	Total	188	222	214
Average age		36.50	36.78	37.20
Average years of service (years)		3.90	3.13	3.89
Education distribution ratio (%)	Doctorate	0	0	0
	Master's Degree	6.90	6.31	6.07
	College Degree	38.80	39.19	38.32
	High school/ Vocational school	29.30	31.53	32.71
	Below high school	25.00	22.97	22.90

IV. Environmental expenditure information

(I) According to legal requirements, explanation of the application, payment, or establishment status for those who should apply for pollution facility installation permits or pollution discharge permits, or should pay pollution prevention fees, or should establish environmental protection units and personnel.

1. Application for pollution facility installation permits or pollution discharge permits

Items	Permit number
Water pollution prevention measures plan	Pingtung Environmental Discharge Permit No. 00179-00
	Pingtung Environmental Discharge Permit No. 00151-00
	Pingtung Environmental Discharge Permit No. 00015-00
	Pingtung County Environmental Water Permit No. 02680-01

2. Status of pollution prevention fee payment: The Company regularly pays pollution prevention fees in accordance with legal requirements.

Unit: NT$ thousand

Items	2023	2024
Water pollution prevention fees	3	8

3. Status of environmental protection personnel establishment: According to the Regulations for the Installation and Management of Dedicated Units or Personnel for Waste (Sewage) Water Treatment, the Company is not required to establish dedicated environmental protection personnel.

(II) Investment in major environmental pollution prevention equipment, their uses and potential benefits

December 31, 2024; Unit: NT$ thousand

Equipment name	Quantity	Acquisition date	Investment cost	Undepreciated balance	Uses and anticipated potential benefits
Chicken manure composting machine	2 units	June 28 2022	18,399	14,116	Collection and treatment of livestock manure, which can effectively reduce the water content of livestock manure and convert it into organic fertilizer, and through fertilizer sales permits, achieve the purpose of circular sustainable utilization. Additional deodorizing equipment is installed to reduce the impact of various gases generated during fertilizer fermentation.
Chicken manure composting machine	2 units	October 24 2023	12.073	11,425	
Deodorizing room fan water spray electrical equipment	1 set	May 1 2024	1,410	1,222	
Deodorizing room fan water spray electrical equipment	1 set	August 1 2024	1,410	1,292	

1. For the past two years and up to the printing date of the annual report, the company's process for improving environmental pollution, and for any pollution disputes, an explanation of how they were handled: No such incidents occurred.

2. Explain the losses suffered by the company due to environmental pollution (including compensation and violations of environmental regulations as a result of environmental protection inspections, which should specify the date of the penalty, penalty reference number, violated regulation articles, content of the violation, and content of the penalty) for the past two years and up to the printing date of the annual report, and disclose the current and future possible estimated amounts and response measures. If a reasonable estimate cannot be made, the fact that it cannot be reasonably estimated should be explained:

Date of occurrence	Date of penalty	Penalty reference number	Violated regulation articles	Penalty content	Response measures
December 26 2024	February 3 2025	Pingtung Environmental Inspection Letter No. 1148002561	Air Pollution Control Act Article 20 Paragraph 1	Fine of NT$120,000 and environmental lecture for 2 hours	Pay the fine within the deadline and complete the cleaning of the livestock farm environment

Date of occurrence	Date of penalty	Penalty reference number	Violated regulation articles	Penalty content	Response measures
December 23 2024	February 10 2025	Pingtung Environmental Inspection Letter No. 1148003319	Waste Disposal Act Article 36 Paragraph 1 and Standards for Storage, Clearance, and Disposal Methods and Facilities of Industrial Waste Article 6 Paragraph 1 Subparagraph 2	Fine of NT$6,000 and environmental lecture for 1 hour	Pay the fine within the deadline and complete the cleaning of the livestock farm environment
June 13 2023	August 16 2023	Pingtung Environmental Inspection Letter No. 11233698200	Waste Disposal Act Article 36 Paragraph 1	Fine of NT$6,000 and environmental lecture for 1 hour	Pay the fine within the deadline and complete the cleaning of the livestock farm environment

3. Current pollution status and its impact on company profits, competitive position, and capital expenditures, as well as anticipated major environmental protection capital expenditures for the next two years: No such circumstances.

V. Labor-Management Relations

(I) List the company's various employee welfare measures, continuing education, training, retirement system and their implementation status, as well as the agreements between labor and management and the measures taken to protect employee rights

1. Employee welfare measures and implementation status

In addition to arranging labor insurance, national health insurance, and employee group insurance for employees according to law, the Company also conducts annual employee health examinations; besides wages, employees are also provided with individual monthly or quarterly performance bonuses, direct recruitment referral bonuses, holiday gifts, professional allowance subsidies, employee shopping discounts, etc. In March 2021, an Employee Welfare Committee was established, which created supporting regulations for employee marriage, funeral, and celebration subsidies, hospitalization and medical subsidies, disaster relief, and emergency assistance. Additionally, depending on the company's profit status, profit sharing and year-end bonuses may be distributed annually. On November 15, 2024, an employee stock ownership trust was established, with incentive funds allocated to employees.

2. Employee continuing education, training, and implementation status

(1) Pre-employment training: The focus of training is to help new employees understand the rights and obligations between the company and individuals, the company's

current status and future prospects, enhance their professional knowledge foundation, workplace safety and health matters, and practical exercises.

(2) On-the-job training: The company invites professional instructors or professors from relevant departments of colleges and universities to arrange a series of educational training courses to enhance professional knowledge in animal husbandry and understand current international feeding trends.

3. Employee retirement system and implementation status

Retirement applications and payment standards are handled in accordance with the Labor Standards Act and the Labor Pension Act, and retirement funds are contributed to employees' personal retirement accounts at the Bureau of Labor Insurance according to relevant regulations.

4. Agreements between labor and management and the status of various employee rights protection measures

To safeguard the rights and interests of both labor and management and coordinate labor-management relations, the Company has elected labor and management representatives and filed for approval. The Company strives to strengthen labor-management harmony and conducts two-way communication and coordination to resolve issues. Apart from general labor disputes or labor-management agreement incidents, no major labor disputes have occurred that would significantly affect the normal financial and business operations of the Company.

5. Comprehensive medical care services

The Company has signed a contracted medical personnel on-site service agreement with hospitals to provide health education services for colleagues with risks identified in medical examination reports, ensuring that colleagues understand the risks in their medical reports and implementing employee care.

(II) In the most recent year and up to the printing date of the annual report, losses suffered by the Company due to labor disputes (including labor inspection results that violated the Labor Standards Act, which should specify the date of disposition, disposition reference number, violated legal provisions, content of violations, and disposition content), and disclosure of current and future possible estimated amounts and countermeasures; if a reasonable estimate cannot be made, the fact that a reasonable estimate cannot be made should be stated:

The Company follows the Labor Standards Act as a guideline for labor-management relations, and adopts humanized management in its operations. As a result, the relationship between labor and management is harmonious, with good interaction between both parties. In the most recent year and up to the printing date of the annual report, no major labor disputes have occurred.

VI. Information Security Management

(I) Describe the information security risk management framework, information security policy, specific management programs, and resources invested in information security management:

1. Information Security Risk Management Framework:

   Responsible for coordinating and implementing information security policies, promoting information security, enhancing employee security awareness, and collecting and improving technologies, products, or procedures for the performance and effectiveness of the organization's information security management system.

2. Information Security Policy, Specific Programs, and Resources Invested in Information Security Management:

   (1) The Company's important host servers and application servers are set up in a dedicated server room.

   (2) The server room is equipped with independent air conditioning to maintain computer equipment operation at appropriate temperatures; it also contains carbon dioxide fire extinguishers suitable for general or electrical fires.

   (3) The server room hosts are equipped with uninterruptible power supply and voltage stabilization equipment to prevent system crashes due to unexpected momentary power outages from Taiwan Power Company, or to ensure that computer application systems continue to operate during temporary power outages.

   (4) Enterprise-grade firewalls are configured to block illegal hacker intrusions.

   (5) Colleagues accessing the ERP system from remote locations through the company's internal network must apply for a VPN account, and can only log in using the secure VPN method.

   (6) The email server is configured with mail antivirus and spam filtering mechanisms to prevent viruses or spam from reaching users' PCs.

   (7) Company colleagues who need to use the ERP system or company shared storage space must complete a system permission application form. After approval by the responsible supervisor, IT personnel will create a system account, allowing them to use the system.

   (8) The ERP has a backup system implemented with a daily backup mechanism that saves to NAS, with the NAS portion being backed up to external hard drives.

(II) List the losses suffered due to major information security incidents in the most recent fiscal year and up to the printing date of the annual report, as well as their possible impacts and response measures. If reasonable estimation is not possible, explain why: The Company currently has no major information security incidents that have caused business damage.

VII. Important Contracts

Contract Nature	Counterparty	Contract Start and End Time	Main Content	Restrictive Clauses
Credit Agreement	Taiwan Cooperative Bank	November 30 2011~November 30 2019	Long-term Loan	Land and Building Collateral
Credit Agreement	First Commercial Bank	111/10/07~126/10/07	Long-term Loan	Land, Building and Equipment Collateral
Credit Agreement	First Commercial Bank	112/04/18~122/04/18	Medium and Long-term Loan	Solar Equipment Collateral
Credit Agreement	Chang Hwa Bank	111/06/17~129/06/17	Long-term Loan	Land, Building and Equipment Collateral
Credit Agreement	Mega Bank	May 20 2021~May 20 2036	Long-term Loan	Building and Equipment Collateral
Technical Cooperation	ISE Foods Inc.	June 1 2023~January 31 2028	Technical Support and Trademark License Agreement	Limited to Use in Taiwan Region
Lease Agreement	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	March 1 2024~February 29 2028	Farm Lease	

Chapter 5 Review and Analysis of Financial Status, Financial Performance and Risk Issues

I. Financial Status

Explain the main reasons and effects of significant changes in the company's assets, liabilities, and equity over the past two years. If the impact is significant, explain future response plans:

Unit: NT$ thousand

Items \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Current Assets	660,383	516,483	(143,900)	(21.79)
Property, Plant and Equipment	1,460,572	1,657,483	196,911	13.48
Right-of-use Assets	5,414	33,342	27,928	515.85
Intangible Assets	54,765	48,374	(6,391)	(11.67)
Other Assets	81,486	124,275	42,789	52.51
Total Assets	2,262,620	2,379,957	117,337	5.19
Current Liabilities	390,985	241,376	(149,609)	(38.26)
Non-current Liabilities	527,566	326,261	(201,305)	(38.16)
Total Liabilities	918,551	567,637	(350,914)	(38.20)
Share Capital	607,500	683,450	75,950	12.50
Capital Surplus	230,350	585,286	354,936	154.09
Retained Earnings	448,949	475,404	26,455	5.89
Treasury Stock	0	(36,511)	(36,511)	(100.00)
Total Equity	1,344,069	1,707,629	363,560	27.05

1. Major change items (items with changes between previous and current periods exceeding 20% and reaching NT$10 million) - main causes and impacts:
   (1) Current assets: The decrease in this period is mainly due to faster collection of accounts receivable compared to the previous period, resulting in lower accounts receivable at the end of the period; time deposits were withdrawn in this period to purchase property, plant and equipment.
   (2) Right-of-use assets: The increase in this period is due to the lease of livestock housing and equipment at ChengHao Livestock Farm from Kuo Hsing Poultry & Livestock Feeds Co., Ltd.
   (3) Other assets: In this period, the number of chickens raised increased, resulting in higher breeding costs, thus increasing the carrying value of biological assets.
   (4) Current liabilities, non-current liabilities, and total liabilities: Mainly due to the repayment of loans through cash capital increase in this period.
   (5) Capital surplus: Mainly due to the premium on the issuance of new shares through cash capital increase in this period.
   (6) Treasury shares: Mainly due to the execution of treasury stock buyback in this period.
   (7) Total equity: Mainly due to the issuance of new shares through cash capital increase in this period.
2. Impact of significant factors and future response plans: The above changes do not have a significant adverse impact on the Company, and there are no major abnormalities in the Company's overall performance, so there is no need to formulate a response plan.

II. Financial Performance

Significant changes in operating revenue, operating profit, and pre-tax profit for the past two years, the main reasons and expected sales volume with their basis, possible impacts on the company's future financial operations, and response plans.

Unit: NT$ thousand

Items \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Operating Revenue	1,148,829	1,218,844	70,015	6.09
Operating Costs	952,657	903,167	(49,490)	(5.19)
Gross Profit from Operations	299,629	336,877	37,248	12.43
Operating Expenses	159,113	202,621	43,508	27.34
Operating Net Profit	140,516	134,256	(6,260)	(4.46)
Non-operating Income and Expenses	(38,854)	(14,026)	24,828	(63.90)
Pre-tax Net Profit	101,662	120,230	18,568	18.26
Income Tax Expense	29,103	24,513	(4,590)	(15.77)
Net Profit for the Period	72,559	95,717	23,158	31.92
Total Comprehensive Income for the Period	72,559	95,717	23,158	31.92

1. Major change items (items with changes between previous and current periods exceeding 20% and reaching NT$10 million) - main causes and impacts:
   (1) Operating Expenses: The increase in this period is mainly due to shipping costs, advertising expenses for raw food grade eggs, and overall salary adjustments.
   (2) Non-operating Income and Expenses: In the previous period, biological assets were affected by health factors; this period does not have this situation, so the loss on disposal of biological assets decreased. Additionally, interest expenses decreased due to loan repayments.
   (3) Net Profit for the Period and Total Comprehensive Income for the Period: This is mainly due to the increase in operating gross profit, as well as the decrease in non-operating loss on disposal of biological assets.
2. Expected Sales Volume and Basis, Possible Impact on Future Financial and Business Operations, and Response Plans:
   (1) Expected Sales Volume and Basis: The Company has not prepared financial forecasts.
   (2) Possible Impact on Future Financial and Business Operations and Response Plans: The Company's expected sales volume is based on historical actual sales, future market demand changes, company operational goals, and production capacity. It is estimated that the Company's performance will show a stable growth trend, which can bring positive benefits to its financial and business conditions.

III. Cash Flow

(I) Analysis of Cash Flow Changes in the Most Recent Year

Unit: NT$ thousand

Items	2023	2024	Increase (Decrease) Change
Net Cash Inflow (Outflow) from Operating Activities	173,366	226,296	52,930
Net Cash Inflow (Outflow) from Investing Activities	(260,721)	(229,589)	31,132
Net Cash Inflow (Outflow) from Financing Activities	176,286	(2,531)	(178,817)
Analysis of Changes: (1) Net Cash Inflow (Outflow) from Operating Activities: The decrease in the current period is mainly due to faster collection of accounts receivable compared to the previous period, resulting in lower accounts receivable at the end of the period compared to the previous period; during this period, time deposits were withdrawn to purchase property, plant, and equipment. (2) Net Cash Inflow (Outflow) from Investing Activities: Mainly due to the purchase of property, plant, and equipment this year and the decrease in other financial assets during the current period. (3) Net Cash Inflow (Outflow) from Financing Activities: Mainly due to the decrease in long-term and short-term borrowings and the increase in cash capital injection during the current period.			

(II) Improvement Plan for Liquidity Shortage in the Most Recent Year: The Company has not experienced any liquidity shortage, therefore this is not applicable.

(III) Cash Liquidity Analysis for the Coming Year (2025)

Unit: NT$ thousand

Initial Cash Balance	Expected Net Cash Flow from Operating Activities for the Entire Year	Expected Net Cash Flow from Investment Activities for the Entire Year	Expected Net Cash Flow from Financing Activities for the Entire Year	Expected Cash Surplus (Shortage) Amount	Remedial Measures for Expected Cash Shortage	
					Financing Plan	Financial Management Plan
257,250	297,670	(1,262,089)	821,124	113,955	—	—
1. Analysis of Cash Flow Changes for the Coming Year: (1) Operating Activities: Mainly cash inflow from operating activities contributed by operational profits. (2) Investment Activities: Mainly cash outflow from investment activities due to continued capital expenditure and increased reinvestment to meet operational needs. (3) Financing Activities: Mainly conducting cash capital increase and repaying loans to reduce financial costs. 2. Expected Remedial Measures for Cash Shortfall and Liquidity Analysis: There is no expected cash shortfall situation.						

IV. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations

The Company has not made any major capital expenditures in the most recent year, so there is no significant impact on financial and business operations.

V. Investment Policy, Main Reasons for Profits or Losses, Improvement Plans in the Most Recent Year, and Investment Plans for the Next Year

(I) Reinvestment Policy

The Company has established "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" prescribed by the competent authority, as the basis for the Company's reinvestment activities. The Company also regularly monitors the operating conditions of subsidiaries and keeps track of their business and financial status in accordance with the "Supervision and Management of Subsidiaries" stipulated in the internal management system.

(II) Main Reasons for Profits or Losses from Reinvestment in the Most Recent Year and Improvement Plans

Unit: NT$ thousand

Reinvestment Company	Recognized (Loss) Profit in 2024	Main Reasons for Profits or Losses	Improvement Plan
Tai Da Eggs Technology Co., Ltd.	2,238	The operational profit model is not yet stable, but the operational situation is gradually improving.	The operational situation has turned from loss to profit in the current year.
JihShang Livestock Products Co., Ltd.	40	Due to changes in the distribution channel structure, transactions have now been transferred to Dawushan, so there are currently no substantial operational activities.	Intending to liquidate and close
Mountain River Livestock Products Co., Ltd.	(5)	Currently there are no operational activities, so it is still in a state of loss.	
Dawushan Ise Foods Co., Ltd. (Note)	(165)	In the initial stage of operation, there are currently no operational activities, so it is still in a state of loss.	After the operational items are confirmed, the subsequent profit situation will be improved.

Note: In March 2023, the company's name before investment was Jin Nong Xing Egg Products Co., Ltd., and the name change was completed in January 2024.

(III) Investment plan for the coming year:

To expand the operational scale and for diversification considerations, the Company acquired 15,364,000 shares of common stock of Fwusow Industry Co., Ltd. on April 1, 2025, representing a 51.21% shareholding ratio, at a transaction price of NT$25 per share, with a total transaction amount of NT$384,100 thousand. Through this upstream and downstream integration plan, Fwusow will be able to assist the company in developing eggs and layer chicken-related products, increase the added value of eggs and layer chickens through fresh food processing, enhance the overall product competitiveness, and expand product outlets.

VI. Analysis and assessment of risk factors for the most recent year and up to the printing date of the annual report

(I) Impact of interest rate changes, exchange rate fluctuations, and inflation on the company's profit and loss, and future response measures

1. Impact of interest rate changes

The interest expenses of the Company for 2023 and 2024 were NT$9,341 thousand and NT$13,861 thousand respectively, accounting for 1.21% and 0.77% of net operating revenue. These interest expenses were mainly from financing interest from loans from financial institutions and interest expenses on lease liabilities.

In 2023, major countries around the world, particularly the United States, implemented multiple interest rate hikes to reduce inflationary pressures, leading to tightened monetary policies. In 2024, global inflationary pressures began to ease, and as inflation further slows down, major central banks worldwide will lower interest rates. Currently, due to global inflationary pressures and the Federal Reserve's interest rate hike policy, Taiwan's Central Bank has also begun to gradually increase the rediscount rate. Although Taiwan's rediscount rate has reached 2%, it remains low compared to major European and American countries. Therefore, overall, this is not expected to have a significant adverse impact on the Company's profitability. The Company closely monitors market interest rate changes, establishes and maintains good credit relationships with banks, so that when the company's operational scale expands and there is a need for funds in the future, favorable interest rate conditions can be obtained. The Company will also use sound financial planning and evaluate the use of other financial instruments to reduce the risk of interest rate fluctuations.

2. Impact of exchange rate fluctuations

The Company's main business items are branded fresh eggs and egg processed products, with all operations located in Taiwan and transactions conducted in New Taiwan Dollars. Sales revenue and payments for relevant costs and expenses are primarily settled in New Taiwan Dollars. In 2023 and 2024, net foreign currency exchange (losses) gains were NT$(550) thousand and NT$925 thousand respectively, both accounting for a minimal proportion of the Company's net operating revenue. Therefore, exchange rate fluctuations have no significant impact on the Company's operations. The Company collects information on exchange rate fluctuations and maintains close contact with financial institutions to monitor exchange rate trends, assess exchange rate movements, and reduce the risks associated with exchange rate fluctuations.

3. Inflation

The price of feed, the Company's main purchase item, is affected by fluctuations in global grain prices. In recent years, due to the rise in global raw materials, the overall economic environment has shown an inflationary trend. The Company closely monitors market price fluctuations and maintains good interactive relationships with suppliers and customers to reduce the impact of inflation on the Company's profit and loss. In the most recent fiscal year and up to the printing date of this annual report, there have been no significant impacts on the Company's profit and loss due to inflation.

(II) Policies, main reasons for profit or loss, and future response measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsements/guarantees, and derivative financial instrument transactions.

The Company and its subsidiaries have always operated their business with a focus on their core competencies and practical principles. Financial policies are based on stable and conservative principles, and they have not engaged in high-risk, high-leverage investments, lending funds to others, or derivative financial instrument transactions. The Company has established "Procedures for Lending Funds to Other Parties." If the Company engages in lending funds to others in the future, it will operate in accordance with the established policies. The objects of endorsements and guarantees are the Company's subsidiaries, and the Company has established "Procedures for Endorsement and Guarantee," with all related matters following the aforementioned policies. The Company has established "Procedures for Acquisition or Disposal of Assets," which prohibit engaging in derivative financial instrument transactions according to regulations.

(III) Future research and development plans and expected R&D expenses

The Company's future research and development plans will focus on feed nutrition control programs. The expected R&D expenses will be budgeted annually according to development progress. Through the investment in funding and professional technical talent, the Company will ensure it maintains a highly competitive advantage. The expected R&D expenses for 2025 will account for approximately 1% of net revenue.

(IV) The impact of significant domestic and foreign policy and legal changes on the Company's finances and operations, and responsive measures

The Company's operations comply with all relevant domestic and international regulations. We constantly monitor domestic and international policy development trends and regulatory changes, consult with relevant professionals, and collect relevant information to provide the management team with decision-making references. This enables us to fully grasp and respond to market environment changes and adjust the Company's relevant operational strategies in a timely manner. During the most recent fiscal year and up to the printing date of this annual report, the Company has not been affected financially or operationally by any significant domestic or international policy and legal changes.

(V) Impact of technological changes (including information security risks) and industry changes on the Company's finances and operations, and responsive measures.

The Company constantly monitors industry changes and market trends, adjusting product mix in a timely manner to meet market demands and maintain competitiveness. During the most recent fiscal year and up to the printing date of this annual report, there have been no significant impacts on the Company's finances and operations due to technological changes or industry changes.

(VI) Impact of corporate image changes on corporate crisis management and responsive measures

The Company adheres to the business principles of dedication, conscience, and food safety, focusing on the sustainable operation and development of its core business. In recent years, we have actively participated in various charitable activities and diligently fulfilled our corporate social responsibility. During the most recent fiscal year and up to the printing date of this annual report, the Company has not faced any crisis due to changes in corporate image.

(VII) Expected benefits, potential risks, and responsive measures for mergers and acquisitions

During the most recent fiscal year and up to the printing date of this annual report, the Company has no plans to merge with or acquire other companies. If there are any acquisition plans in the future, the Company will adhere to its "Procedures for Acquisition and Disposal of Assets" and relevant legal regulations, maintain a prudent evaluation approach, and fully consider the synergistic effects of the merger to effectively protect shareholders' interests.

(VIII) Expected benefits, potential risks, and responsive measures for plant expansion

Considering future business growth, responding to the increasing domestic demand for fresh eggs, and enhancing competitiveness, the current supply from our own farms and the washing, grading, and cold storage capacity of our existing facilities are no longer sufficient to meet demand and cannot adequately balance the gaps between production and sales. In March 2023, the Company invested in Dawushan Ise Foods Co., Ltd. (formerly known as Jin Nong Xing Egg Products Co., Ltd., abbreviated as "Dawushan Ise Foods") and planned to develop it as a specialized fresh egg washing and grading facility. On November 9, 2023, the Board of Directors approved the budget for Dawushan Ise Foods' plant construction. This facility will primarily serve the washing, packaging, and cold storage needs of the Company and future partner farms. In addition to increasing revenue and profitability, it will enhance the Company's operational flexibility, helping to expand market reach and increase market share, which should have a positive impact on the future operations of both the Company and its subsidiaries.

By the end of 2025, when the new plant's construction is completed, we plan to gradually expand production capacity. In terms of raw egg supply, the Company has already found partner farms with a daily production capacity of 500,000 eggs, which can ensure the basic washing and grading volume during the initial operational phase. With a daily washing and grading capacity of 1-1.5 million eggs, in addition to increasing revenue and profits, this will also enhance the Company's operational flexibility, helping us expand our market and increase market share. The plant construction project is expected to be funded through the Company's own capital and bank financing. Since the Company already has experience in this industry, and the supply of raw materials and customer base are secure, the financial and operational risks have been adequately managed, and therefore should not pose significant risks to the Company's operations.

(IX) Risks and countermeasures for concentrated purchasing or sales:

1. Regarding purchasing

In 2023 and 2024, the purchasing amount from the Company's largest supplier accounted for 57.87% and 48.88% of the total purchasing amount, respectively. The Company will continue to actively seek more high-quality suppliers to reduce operational risks. The Company has established stable long-term relationships with its suppliers; therefore, issues of supply shortages affecting production are unlikely to occur. Consequently, the risks associated with concentrated purchasing are relatively limited for the Company.

2. Regarding sales

The Company's main sales targets are distributed across well-known chain stores and food service channels throughout Taiwan. Our customer base is diverse and dispersed, without concentration on any single customer. Therefore, there is no operational risk to the Company due to sales concentration.

(X) The impact, risks, and countermeasures regarding significant transfers or changes in shareholdings by directors, supervisors, or major shareholders holding more than ten percent of shares.

In the most recent year and up to the printing date of the annual report, there have been no significant changes in the overall shareholding ratio of the Company's directors, supervisors, and major shareholders holding more than 10% of shares. Therefore, there has been no significant impact or risk to the Company's operations due to substantial transfers or changes in shareholdings by relevant personnel.

(XI) Changes in management control and their impact, risks, and countermeasures for the Company

In the most recent year and up to the printing date of the annual report, there have been no changes in management control.

(XII) Litigation or non-litigation events

1. The Company should disclose any litigation, non-litigation, or administrative disputes that have been definitively adjudicated in the past two years or are currently pending, where the outcome may have a significant impact on shareholders' equity or securities prices. Such disclosure should include the disputed facts, the amount involved, the date the litigation commenced, the main parties involved, and the current status of the case: None.

2. Company directors, supervisors, general managers, de facto responsible persons, major shareholders with shareholding percentages exceeding ten percent, and subsidiaries, regarding litigation, non-litigation, or administrative disputes that have been definitively adjudicated in the past two years or are currently pending, where the outcome may have a significant impact on shareholders' equity or securities prices: None.

3. Company directors, supervisors, managers, and major shareholders with shareholding percentages exceeding ten percent, regarding any occurrences of circumstances specified in Article 157 of the Securities and Exchange Act in the past two years and up to the printing date of the annual report, and the Company's current handling of such matters: None.

4. Company directors, supervisors, managers, and major shareholders with shareholding percentages exceeding ten percent, regarding any occurrences of financial difficulties or loss of credit standing in the past two years and up to the printing date of the annual report, and the impact of such occurrences on the Company's financial status: None.

(XIII) Other important risks and response measures

1. Risk of avian diseases

Poultry disease is one of the bottlenecks in the development of the poultry farming industry and a major risk for poultry farming. The Company's layer hen farming business faces diseases mainly including avian influenza, Newcastle disease, Marek's disease, etc. Taiwan is located on the migratory route of seasonal birds, and avian influenza viruses can be transmitted across borders through wild bird migration, posing greater challenges to disease prevention and control in the domestic egg-laying chicken industry. Once a major disease appears and spreads extensively, it will cause a decrease in egg-laying rates or abnormal deaths among laying hens, resulting in economic losses and increased operating costs.

The Company's farms all adopt closed water curtain air conditioning and automated egg collection and poultry manure handling systems, preventing contact between migratory birds or natural environment avian species and laying hens. The automated farming system not only reduces labor costs but also lowers the risk of infection caused by staff carrying pathogens when entering and exiting. Furthermore, the Company routinely implements environmental disinfection operations around farms according to its farming plan to avoid the risk of disease transmission and spread.

2. Risk of raw material price fluctuations

The Company's farming operations mainly use feed as the primary cost, with corn and soybean meal accounting for a larger proportion of feed ingredients. The prices of corn and soybean meal are affected by various factors such as government policies, international market supply and demand conditions, transportation conditions, climate, natural disasters, etc. Therefore, production costs are easily affected by fluctuations in the prices of international agricultural commodities. The Company's fresh egg products are sold through major retail outlets in Taiwan, with self-controlled sales channels and no reliance on brokers, breaking away from the traditional egg product sales system. By expanding distribution channels and implementing diversification strategies, the Company can independently determine sales prices and quantities to disperse market risks. Once the market prices of corn and soybean meal rise significantly, leading to increased production costs, the Company will appropriately reflect the production cost increases in product selling prices.

3. Food Safety Risk

With the growing awareness of food safety among consumers and the strengthening consciousness of rights protection, government departments continue to increase supervision over food safety. Food safety requires the company to implement safeguards across multiple stages, including feed production and farming. If the government further raises relevant standard requirements in the future, the company may need to further increase quality control and testing investments across various production stages, which could lead to increased production costs. As the business scale continues to expand, if the company's product quality control measures cannot meet the new requirements brought by growth in scale and changes in industry regulatory policies, resulting in product quality issues due to omissions or defects in quality control, food safety problems may arise. This would directly impact the company's brand, reputation, and product sales.

To manage food safety risks, the Company has established a Food Safety Department responsible for daily inspection operations including sample retention and component analysis of feed inputs to reduce hazards arising from feed ingredient factors. Additionally, the department plans and conducts tests on egg products for veterinary drug residue tolerance, pesticide residue levels, heavy metals, microorganisms, dioxins, and polychlorinated biphenyls, ensuring product quality complies with health regulations to minimize food safety risks.

VII. Other important matters: None.

Chapter 6 Special Record Items

I. Information Regarding Affiliated Enterprises

According to Article 21, Paragraph 1, Item 1 and Article 22-1 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies," the Company's three statements regarding affiliated enterprises have been announced and filed on the Market Observation Post System. Information search path: .

II. In the most recent year and up to the printing date of the annual report, the status of private placement of securities: No such occurrence.

III. Other necessary supplementary explanations: None.

Chapter 7 In the most recent year and up to the printing date of the annual report, any matters stipulated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that might have a significant impact on shareholders' equity or securities prices

On April 1, 2025, the Company acquired shares of Fu Che Frozen Food Co., Ltd., including 15,300,000 shares from Kuo Hsing Poultry & Livestock Feeds Co., Ltd. and 64,000 shares from other shareholders, totaling 15,364,000 shares, representing a 51.21% ownership. The transaction price was NT$25 per share, with a total transaction amount of NT$384,100 thousand. As this transaction is essentially an organizational adjustment, according to relevant accounting standards, the portion of cash payment exceeding the book value of Fu Che Frozen Food Co., Ltd. should be adjusted as a deduction from capital surplus.

Appendix A:

2024 Consolidated Financial Report and Auditor's Report

DAWUSHAN FARM TECHNOLOGY CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report

Address: No. 68-30, Pingshan Rd., Wanlong Village, Xinpi Township, Pingtung County
Telephone: 886-8-787-1888

Notice to Readers

The English consolidated financial statements are not reviewed nor audited by independent auditors. They have been translated into English from the original Chinese version which has been audited by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Dawushan Farm Technology Co., Ltd.

Representation Letter

The entities that are required to be included in the combined financial statements of Dawushan Farm Technology Co., Ltd. as of and for the year ended December 31, 2024, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10 endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Therefore, Dawushan Farm Technology Co., Ltd. does not prepare a separate set of combined financial statements.

Very truly yours,

Dawushan Farm Technology Co., Ltd.

By

Feng-Chun Lin

Chairperson

February 18, 2025

Independent Auditors' Report

The Board of Directors and Shareholders

Dawushan Farm Technology Co., Ltd.

Audit opinion

We have audited the consolidated balance sheets of Dawushan Farm Technology Co., Ltd. and its subsidiaries (hereinafter referred to as "Dawushan Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dawushan Group as of December 31, 2024 and 2023, and its consolidated financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Dawushan Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are ones that were of most significance in our audit of the consolidated financial statements of Dawushan Group for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall consolidated financial statements and in forming the audit opinion. We will not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of Dawushan Group for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Notes 4(18), 5(1)A and 6(19) to the consolidated financial statements for accounting policies associated with revenue recognition.

Explanations of key audit matters:

The characteristics of the industry in which the Group operates, combined with regulatory requirements for the Dawushan Group to disclose its revenue on a monthly basis, increase the risk associated with the timing of revenue recognition.

Audit procedures to address this issue:

The main audit procedures performed by us for the above key audit matters include:

- To assess whether the accounting policies and methods for revenue recognition applied by the audited entity are appropriate.
- To test the audited entity's controls related to revenue recognition and the transaction cycle from order to collection.
- To perform detailed substantive testing of sales revenue and sample collection from subsequent periods or original documentation.

Other matters

Dawushan Farm Technology Co., Ltd. has also prepared parent company only financial statements for the years ended December 31, 2024 and 2023, which we had audited and issued an unqualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRICs, and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of Dawushan Group in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease its operations, or has no realistic alternative but to do so.

Those charged with governance of Dawushan Group (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have exercised professional judgment and professional skepticism when carrying out auditing work according to the auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dawushan Group’s internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management’s use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on Dawushan Group’s ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may result in Dawushan Group ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within Dawushan Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

Crowe (TW) CPAs

February 18, 2025

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
Assets	Note	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	$ 257,250	11	$ 263,074	13
Notes receivable, net	6(2)	733	-	4,047	-
Accounts receivable, net	6(3)	187,811	8	235,380	10
Other receivables		1,342	-	2,875	-
Current income tax assets		146	-	27	-
Inventories	6(4)	37,469	2	31,304	1
Biological assets - current	6(5)	11,429	-	13,596	1
Prepayments		20,303	1	9,652	-
Other financial assets - current	6(6)	-	-	100,428	4
Total current assets		516,483	22	660,383	29
Non-current assets					
Property, plant and equipment	6(7)	1,657,483	70	1,460,572	66
Right-of-use assets	6(8)	33,342	1	5,414	-
Intangible assets	6(9)	48,374	2	54,765	2
Biological assets - non-current	6(5)	119,402	5	74,773	3
Deferred income tax assets	6(27)	3,435	-	4,185	-
Refundable deposits		1,438	-	2,528	-
Total non-current assets		1,863,474	78	1,602,237	71
Total assets		$ 2,379,957	100	$ 2,262,620	100

(Continued)

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS-(Continued)
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
Liabilities and Equity	Note	Amount	%	Amount	%
Current liabilities					
Short-term loans	6(10)	$ -	-	$ 66,000	3
Contract liabilities - current	6(18)	2,662	-	124	-
Notes payable		100	-	100	-
Accounts payable		64,188	3	34,877	2
Accounts payable - related parties	7	39,670	2	75,743	3
Other payables	6(11)	89,786	4	80,978	4
Current income tax liabilities		9,116	-	28,696	1
Provisions - current	6(12)	3,708	-	3,173	-
Lease liabilities - current	6(8)	10,965	-	2,704	-
Current portion of long-term loans	6(13)	21,181	1	98,590	4
Total current liabilities		241,376	10	390,985	17
Non-current liabilities					
Long-term loans	6(13)	303,345	13	524,400	24
Deferred income tax liabilities	6(27)	270	-	292	-
Lease liabilities - non-current	6(8)	22,646	1	2,874	-
Total non-current liabilities		326,261	14	527,566	24
Total liabilities		567,637	24	918,551	41
Equity					
Equity attributable to owners of the parent					
Share capital	6(14)				
Common stocks		683,450	29	607,500	26
Capital surplus	6(15)	585,286	25	230,350	10
Retained earnings	6(16)				
Legal reserve		54,616	2	47,408	2
Unappropriated earnings		420,788	18	401,541	18
Treasury stocks	6(17)	(36,511)	(2)	-	-
Total equity attributable to owners of the parent		1,707,629	72	1,286,799	56
Non-controlling interests	6(18)	104,691	4	57,270	3
Total equity		1,812,320	76	1,344,069	59
Total liabilities and equity		$ 2,379,957	100	$ 2,262,620	100

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

(Concluded)

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		2024		2023	
	Notes	Amount	%	Amount	%
Operating revenue	6(19)	$ 1,218,844	100	$ 1,148,829	100
Operating costs	6(4)	(903,167)	(74)	(952,657)	(83)
Gain (loss) arising from initial recognition of agricultural produce	6(20)	21,200	2	103,457	9
Gross profit (loss)		336,877	28	299,629	26
Operating expenses					
Sales and marketing expenses		(121,055)	(10)	(91,337)	(8)
General and administrative expenses		(71,250)	(6)	(54,190)	(5)
Research and development expenses		(10,253)	(1)	(13,528)	(1)
Expected credit (gain) loss	6(3)	(63)	-	(58)	-
Total operating expenses		(202,621)	(17)	(159,113)	(14)
Operating income (loss)		134,256	11	140,516	12
Non-operating income and expenses					
Interest income	6(23)	2,615	-	1,367	-
Other income	6(24)	22,058	2	13,709	1
Other gains and losses	6(25)	(29,358)	(2)	(40,069)	(3)
Finance costs	6(26)	(9,341)	(1)	(13,861)	(1)
Total non-operating income and expenses		(14,026)	(1)	(38,854)	(3)
Income (loss) before income tax		120,230	10	101,662	9
Income tax (expense) benefit	6(27)	(24,513)	(2)	(29,103)	(3)
Net income (loss)		95,717	8	72,559	6
Total comprehensive income		$ 95,717	8	$ 72,559	6
Net income (loss) attributable to:					
Owners of the parent		$ 94,800	8	$ 72,082	6
Non-controlling interests		917	-	477	-
		$ 95,717	8	$ 72,559	6
Total comprehensive income attributable to:					
Owners of the parent		$ 94,800	8	$ 72,082	6
Non-controlling interests		917	-	477	-
		$ 95,717	8	$ 72,559	6
Earnings per share (NT$)					
Earnings per share - basic	6(28)	$ 1.46		$ 1.23	
Earnings per share - diluted	6(28)	$ 1.46		$ 1.23	

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

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent								
			Retained Earnings						
	Common Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Treasury Stocks	Total Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity
Balance as of January 1, 2023	$ 550,000	$ 50,000	$ 31,412	$ -	$ 427,955	$ -	$ 1,059,367	$ 10,303	$ 1,069,670
Appropriation and distribution of earnings:									
Legal reserve	-	-	15,996	-	(15,996)	-	-	-	-
Special reserve	-	-	-	42,325	(42,325)	-	-	-	-
Cash dividends for common stocks	-	-	-	-	(55,000)	-	(55,000)	-	(55,000)
Stock dividends for common stocks	27,500	-	-	-	(27,500)	-	-	-	-
Reversal of special reserve	-	-	-	(42,325)	42,325	-	-	-	-
Net income (loss) for the year ended December 31, 2023	-	-	-	-	72,082	-	72,082	477	72,559
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	72,082	-	72,082	477	72,559
Issuance of common stocks for cash	30,000	138,009	-	-	-	-	168,009	-	168,009
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10	-	-	-	-	10	(10)	-
Share-based payment transaction	-	6	-	-	-	-	6	-	6
Changes in non-controlling interests	-	-	-	-	-	-	-	46,500	46,500
Others (Note 6(15))	-	42,325	-	-	-	-	42,325	-	42,325
Balance as of December 31, 2023	607,500	230,350	47,408	-	401,541	-	1,286,799	57,270	1,344,069
Appropriation and distribution of earnings:									
Legal reserve	-	-	7,208	-	(7,208)	-	-	-	-
Cash dividends for common stocks	-	-	-	-	(68,345)	-	(68,345)	-	(68,345)
Net income (loss) for the year ended December 31, 2024	-	-	-	-	94,800	-	94,800	917	95,717
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	94,800	-	94,800	917	95,717
Issuance of common stocks for cash	75,950	354,940	-	-	-	-	430,890	-	430,890
Treasury stocks repurchased	-	-	-	-	-	(36,511)	(36,511)	-	(36,511)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(4)	-	-	-	-	(4)	4	-
Changes in non-controlling interests	-	-	-	-	-	-	-	46,500	46,500
Balance as of December 31, 2024	$ 683,450	$ 585,286	$ 54,616	$ -	$ 420,788	$ (36,511)	$ 1,707,629	$ 104,691	$ 1,812,320

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

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Income (loss) before income tax	$ 120,230	$ 101,662
Adjustments		
Non-cash income and expense items		
Depreciation	196,754	163,251
Amortization	2,003	1,937
Expected credit loss (gain)	63	58
Interest expense	9,341	13,861
Interest income	(2,615)	(1,367)
Compensation costs of share-based payment	-	15
Loss (gain) on disposal of property, plant and equipment	2,602	32
Loss (gain) on disposal of biological assets	15,671	36,171
Impairment loss recognized on non-financial assets	4,739	-
Others	(4)	-
Total non-cash income and expense items	228,554	213,958
Changes in operating assets and liabilities		
Net changes in operating assets		
(Increase) decrease in notes receivable	3,314	2,720
(Increase) decrease in accounts receivable	47,506	(25,666)
(Increase) decrease in other receivables	1,494	(2,329)
(Increase) decrease in inventories	(6,165)	4,329
(Increase) decrease in biological assets - current	(114,307)	(63,493)
(Increase) decrease in prepayments	(10,651)	(563)
Total net changes in operating assets	(78,809)	(85,002)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	2,538	(2,358)
Increase (decrease) in notes payable	-	(221)
Increase (decrease) in accounts payable	(6,762)	(2,454)
Increase (decrease) in other payables	10,524	525
Increase (decrease) in provisions	535	654
Total net changes in operating liabilities	6,835	(3,854)
Total net changes in operating assets and liabilities	(71,974)	(88,856)
Total adjustments	156,580	125,102
Cash generated from (used in) operations	276,810	226,764
Interest received	2,654	1,328
Interest paid	(9,684)	(13,689)
Income tax (paid) refunded	(43,484)	(41,037)
Net cash generated by (used in) operating activities	226,296	173,366

(Continued)

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities		
Acquisition of biological assets - non-current	$ (42,501)	$ (31,300)
Disposal of biological assets - non-current	6,542	3,645
Acquisition of property, plant and equipment	(294,797)	(133,212)
Decrease in refundable deposits	1,090	574
Acquisition of intangible assets	(351)	-
Increase in other financial assets	-	(100,428)
Decrease in other financial assets	100,428	-
Net cash generated by (used in) investing activities	(229,589)	(260,721)
Cash flows from financing activities		
Increase in short-term loans	-	60,000
Decrease in short-term loans	(66,000)	-
Proceeds from long-term loans	59,000	36,300
Repayment of long-term loans	(357,464)	(72,541)
Repayment of lease principal	(10,601)	(3,298)
Distribution of cash dividends	(68,345)	(55,000)
Issuance of common stocks for cash	430,890	168,000
Cost of treasury stocks repurchased	(36,511)	-
Other financing activities	-	42,325
Changes in non-controlling interests	46,500	500
Net cash generated by (used in) financing activities	(2,531)	176,286
Net increase (decrease) in cash and cash equivalents	(5,824)	88,931
Cash and cash equivalents at beginning of period	263,074	174,143
Cash and cash equivalents at end of period	$ 257,250	$ 263,074

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

(Concluded)

DAWUSHAN FARM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History and Organization

   (1) Dawushan Farm Technology Co., Ltd. (the "Company") was approved for incorporation on January 4, 2007. The Company was originally registered under the name Dawushan Livestock Products Co., Ltd. It was renamed Mountain River Livestock Products Co., Ltd. in March 2015 and Dawushan Farm Technology Co., Ltd. in January 2022. The Company primarily engages in the production and wholesale of poultry eggs as well as the manufacturing and trading of organic fertilizers.

   The Taipei Exchange approved the Company's shares for trading on the Emerging Stock Board on June 21, 2023. The shares were later listed on the Taiwan Stock Exchange on June 13, 2024, under the stock code 6952.

   (2) Please refer to Note 4(3)B for main operational activities of the Company and its subsidiaries (the "Group").

   (3) The consolidated financial statements were presented in the Company's functional currency, i.e., the New Taiwan dollar.

2. Date and Procedures of Authorization of Financial Statements

   The consolidated financial statements for the years ended December 31, 2024 and 2023 were approved and authorized for issue in the Board of Directors' meeting on February 18, 2025.

3. Newly Issued or Revised Standards and Interpretations

   (1) Impact of adopting International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The table below summarized new, revised or amended standards and interpretations of IFRSs endorsed by the FSC to take effect for annual periods beginning on January 1, 2024:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note)

   Note: The amendments take effect for annual periods beginning on January 1, 2024.

A. Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that for sale and leaseback transactions, if the transfer of the asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the liability arising from the leaseback shall be accounted for by the seller-lessee in accordance with the lease liability provisions of IFRS 16. However, for contracts including variable payments that do not depend on an index or rate, the seller-lessee shall determine and recognize lease liabilities arising from such variable payments in a way that it does not recognize gains or losses related to the right of use retained. The difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability is recognized in profit or loss.

B. Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that when determining whether to classify a liability as non-current, an entity shall assess whether it has the right to defer settlement of the liability for at least 12 months from the reporting date. If such a right exists at the reporting date, the liability shall be classified as non-current regardless of whether the entity is expected to exercise the right. If the entity shall comply with specified conditions in order to have the right to defer settlement, it shall have satisfied those conditions by the end of the reporting period before it can classify the liability as non-current, even if such compliance is not tested by creditors until a later date.

In addition, the amendments stipulate that, for the purpose of liability classification, the said settlement refers to the transfer of cash, other economic resources or the Group’s equity instruments to the counterparty to discharge the liability. However, if the terms of a liability allow for settlement through the transfer of the Group’s own equity instruments at the option of the counterparty, and if such an option is recognized separately under equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

C. Amendments to IAS 1 “Non-current Liabilities with Covenants”

The amendments further clarify that only contractual terms that must be complied with before the end of the reporting period would affect the liability classification. Contractual terms that must be complied with within 12 months after the reporting period do not affect the liability classification. However, if a liability is classified as non-current at the end of the reporting period but may need to be settled within 12 months after the reporting period due to non-compliance with contractual terms, the entity shall disclose relevant facts and circumstances in the notes to the consolidated financial statements.

D. Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

A supplier finance arrangement is where one or more finance providers offer to pay amounts an entity owes its suppliers and the entity agrees to pay the finance providers on or after the payment dates agreed between the entity and its suppliers. Amendments to IAS 7 stipulate that the entity shall disclose supplier finance arrangement information for users of financial statements to assess the impact of such arrangements on the entity’s liabilities, cash flows and exposure to liquidity risk. Amendments to IFRS 7 are to include in the application guidance that, when disclosing how to manage the liquidity risk of financial liabilities, the entity may consider whether it has accessed, or has access to, facilities under supplier finance arrangements and whether such arrangements may result in a concentration of liquidity risk.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Upon assessment, the Group determined that the adoption of aforementioned standards and interpretations did not have material impact on the Group's financial position and financial performance.

(2) Impact of not yet adopting new, revised or amended IFRSs endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRSs endorsed by the FSC to take effect for annual periods beginning on January 1, 2025:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 21 "Lack of Exchangeability"	January 1, 2025

A. Amendments to IFRS 21 "Lack of Exchangeability"

The amendments define exchangeability and provide application guidance on how an entity would determine the spot rate at the measurement date when a currency is not exchangeable. The amendments also require an entity to disclose more useful information when a currency is not exchangeable into another currency.

Upon assessment, the Group determined that the adoption of aforementioned standards and interpretations did not have material impact on the Group's financial position and financial performance.

(3) Impact of IFRSs issued by the IASB but not yet endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRSs issued by the IASB but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	Yet to be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Volume 11	January 1, 2026

A. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments include:

(a) Clarifying the recognition and derecognition dates of some financial assets and liabilities, and adding the provision that an entity is permitted to deem a financial liability (or a part of a financial liability) that is settled in cash using an electronic payment system discharged before the settlement date if, and only if, the entity has initiated the payment instruction and the following conditions are met:

i. the entity does not have the ability to withdraw, stop or cancel the payment instruction;

ii. the entity does not have the practical ability to access the cash to be used for the settlement due to the payment instruction; and

iii. the settlement risk associated with the electronic payment system is not significant.

(b) Clarifying and adding further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope covers contractual terms that can change cash flows based on contingent events (e.g., interest rates linked to environment, social and governance (ESG) targets), instruments with non-recourse features and contractually-linked instruments.

(c) Adding requirements for certain instruments with contractual terms that can change cash flows (e.g., instruments with features linked to the achievement of ESG targets) to provide a qualitative description of the nature of the contingent event, quantitative information about the range of possible changes to contractual cash flows, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

(d) Updating the requirements that the fair value information of equity instrument designated as at fair value through other comprehensive income through an irrevocable election shall be disclosed by category instead of by items. Also, the fair value gain or loss presented in other comprehensive income during the period shall be disclosed, with the fair value gain or loss related to investments derecognized during the reporting period and investments held at the end of the reporting period presented separately, along with the accumulated gains or losses transferred to equity during the reporting period due to the derecognition of investments during the reporting period.

B. Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

These amendments address contracts that expose an entity to variability in electricity generation due to the dependence on uncontrollable natural conditions (e.g., weather), as outlined below:

(a) Clarifying the application of the “own-use” requirements for contracts involving the purchase or sale of nature-dependent electricity:

If a contract requires an entity to purchase and take delivery of electricity as it is generated, and the design and operation of the electricity trading market obligate the entity to sell any unused electricity within a specified timeframe, the entity must evaluate reasonable and supportable information regarding its past, current, and expected future electricity transactions over a reasonable period not exceeding 12 months. If the entity purchases sufficient electricity to offset any unused electricity sold in the same market, it is classified as a net purchaser of electricity. The amendments introduce additional disclosure requirements for contracts referencing nature-dependent electricity that are accounted for as own-use contracts, including:

i. the risks arising from variability in the underlying electricity volume and the potential obligation to procure electricity during a delivery interval when the entity cannot use the electricity;

ii. unrecognized contractual commitments, including estimated future cash flows associated with electricity purchases under these contracts; and

iii. the impact of such contracts on the entity's financial performance during the reporting period.

(b) Clarifying the application of hedge accounting to designated contracts referencing nature-dependent electricity as hedging instruments:

A hedged item may be designated as a variable nominal amount of forecasted electricity transactions, provided that this amount aligns with the expected variable electricity output from the generation facility referenced in the hedging instrument. In addition, if the cash flows of contracts referencing nature-dependent electricity designated as a hedging instrument are conditional on the occurrence of the forecast transactions, the forecast transaction is presumed to be highly probable.

Entities designating contracts referencing nature-dependent electricity as hedging instruments must disclose the terms and conditions of such hedging instruments by risk category, in accordance with IFRS 7.

C. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"

The amendments resolve the inconsistencies between IFRS 10 and IAS 28. For sale (or contribution) of assets between an investor and its associate or joint venture, the recognition of full or partial gain or loss on the disposal depends on the nature of the assets being disposed of (or contributed):

(a) The gains or losses from the sale (or contribution) of assets defined as a business shall be recognized in full.

(b) The gains or losses from the sale (or contribution) of assets that does not constitute a business are recognized only to the extent of non-investors' interests in that associate or joint venture.

D. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and update the structure of the statement of comprehensive income. It will also introduce new disclosure requirements for management-defined performance measures and strengthen the principles of aggregation and disaggregation in the primary financial statements and notes.

E. IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The standard allows eligible subsidiaries to apply IFRS accounting standards with reduced disclosure requirements.

Aside from the aforementioned impacts, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

Major accounting policies adopted for the preparation of the consolidated financial statements are summarized below. Unless otherwise stated, these policies are applied consistently throughout all reporting periods.

(1) Statement of compliance

The consolidated financial statements for the years ended December 31, 2024 and 2023 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC.

(2) Basis of preparation

A. Except for agricultural produce which is measured at fair value less estimated costs to sell, the consolidated financial statements have been prepared on a historical cost basis.

B. The preparation of consolidated financial statements in conformity with IFRSs endorsed by the FSC requires the use of significant accounting estimates and the application of the Group’s accounting policies also involves management’s judgment. Please refer to Note 5 for details on items associated with a higher degree of judgement or complexity, or significant assumptions and estimates in the consolidated financial statements.

(3) Basis of consolidation

A. Preparation principle of consolidated financial statements

(a) The Group includes all subsidiaries in its consolidated financial statements. A subsidiary is an entity controlled by the Group (including structured entities). The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the control is obtained by the Group and are deconsolidated from the date such control is lost.

(b) Transactions, balances, and unrealized gains and losses between entities within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted where necessary to be consistent with those adopted by the Group.

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(c) The profit or loss and components of other comprehensive income are attributable to owners of the parent company and non-controlling interests. The total comprehensive income is also attributable to owners of the parent company and non-controlling interests, even if this results in non-controlling interests having a deficit balance.

(d) Changes in ownership interest in subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., transactions with the owners. The difference between the adjustment of non-controlling interests and the fair value of consideration paid or received is recognized directly in equity.

(e) When the Group loses control over a subsidiary, the investment retained in the former subsidiary is remeasured at fair value and is recognized as either the fair value of financial asset on initial recognition or the cost of the investment in associates or joint ventures on initial recognition. The difference between the fair value and the carrying amount is recognized in profit or loss for the period. For amounts previously recognized in other comprehensive income in relation to the subsidiary, the accounting treatment is consistent with the basis used if the Group had directly disposed of the related assets or liabilities. In other words, if gains or losses previously recognized in other comprehensive income are reclassified to profit or loss upon disposal of the related assets or liabilities, such gains or losses would be reclassified from equity to profit or loss when the Group loses control over a subsidiary.

B. Subsidiaries included in the consolidated financial statements are as follows:

		Ownership Percentage	
Investee/Subsidiary	Main Business	2024.12.31	2023.12.31
Tai Da Eggs Technology Co., Ltd.	Processing, manufacturing, and trading of egg products	68.39%	68.39%
JihShang Livestock Products Co., Ltd.	Distribution of processed products	100.00%	100.00%
Mountain River Livestock Products Co., Ltd.	Distribution of processed products	100.00%	100.00%
Dawushan Ise Foods Co., Ltd. (formerly ChinNungHsing Eggs Co., Ltd.)	Trading of egg products	60.00%	53.50%

(a) Changes in consolidated subsidiaries:

In March 2023, the Group subscribed to a cash capital increase and acquired a 66.67% stake in ChinNungHsing Eggs Co., Ltd. (renamed Dawushan Ise Foods Co., Ltd. in January 2024), gaining control over the company. In April of the same year, the company conducted a cash capital increase and a property capital increase. The Group subscribed to new shares from the cash capital increase, reducing the ownership percentage from 66.67% to 53.50%, while still maintaining control. In August 2024, the company conducted a cash capital increase. The Group subscribed to new shares from the cash capital increase, increasing the ownership percentage from 53.50% to 60.00%.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Subsidiaries not included in the consolidate financial statements: None.

D. Adjustments and treatments of subsidiaries having different accounting periods: None.

E. Major restrictions: None.

F. Details of subsidiaries' holding of securities issued by the parent company: None.

G. Information of subsidiaries with significant non-controlling interests:

December 31, 2024:

Name of Subsidiary	Shareholding %	Non-controlling Interests	Profit or Loss Attributable to Non-controlling Interests
Dawushan Ise Foods Co., Ltd.	60.00%	$ 92,893	$ (118)
Others		11,798	1,035
Total		$ 104,691	$ 917

December 31, 2023:

Name of Subsidiary	Shareholding %	Non-controlling Interests	Profit or Loss Attributable to Non-controlling Interests
Dawushan Ise Foods Co., Ltd.	53.50%	$ 46,507	$ 17
Others		10,763	460
Total		$ 57,270	$ 477

(4) Foreign currency translation

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the spot exchange rate at the transaction date or measurement date.

(b) Monetary assets and liabilities denominated in foreign currencies are remeasured using the spot exchange rate on the balance sheet date. Exchange differences arising from the remeasurement are recognized in profit or loss for the period.

(c) Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated using the exchange rate on the date when the fair value is determined. Any exchange differences arising from such translation are recognized in profit or loss for the year. However, if the fair value changes are recognized in other comprehensive income, the related exchange differences are also recognized in other comprehensive income. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated using the exchange rate on the transaction date and are not subsequently retranslated.

(5) Classification of current and non-current assets and liabilities

A. An asset is classified as current under one of the following criteria:

(a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is expected to be realized within twelve months after the reporting period; or

(d) The asset is classified as cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability, or subject to other conditions for at least twelve months after the reporting period.

Assets that are not classified as current are classified as non-current.

B. A liability is classified as current under one of the following criteria:

(a) It is expected to be settled in the normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; or

(d) The Group does not have a substantive right at the balance sheet date 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 issuing equity instruments do not affect its classification.

Liabilities that are not classified as current are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with original maturities equal to or less than three months).

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are recognized initially at fair value plus or minus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

The Group accounts for regular way purchase or sales of financial assets on the trade date basis.

(a) Measurement category

Financial assets of the Group are classified as financial assets at amortized cost.

i. Financial assets at amortized cost

The Group classifies financial assets as financial assets at amortized cost when the following two conditions are satisfied:

(i) The financial assets are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and

(ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial assets, except for:

(i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

(ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

(b) Impairment of financial assets

i. The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

ii. The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivables. For all other financial assets, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

iii. Expected credit losses reflect the weighted average of credit losses, with the respective risks of default as the weights. Twelve-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

iv. The Group recognizes an impairment loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

i. The contractual rights to the cash flows from the financial asset expire;

ii. The Group transfers the contractual rights to receive cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset; or

iii. The Group has not transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

B. Equity instruments

Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments are contracts that represent residual interests after an entity deducts all of its liabilities from its assets. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issuance costs.

C. Financial liabilities

(a) Subsequent measurement

All financial liabilities are measured using the effective interest method at amortized cost.

(b) Derecognition of financial liabilities

The Group derecognizes financial liabilities only when the Group's obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

D. Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified, if such changes do not result in derecognition of the financial instrument, the Group would remeasure the carrying amount of the financial asset or the amortized cost of the financial liability by discounting the modified cash flows using the original effective interest rate. Any modification gain or loss will be recognized in profit or loss. The costs or fees incurred are deemed as adjustments to the carrying amount of the modified financial instrument and amortized over the remaining period after modification. If the renegotiation or modification results in the derecognition of the financial instrument, then it would be handled in accordance with the derecognition rules.

(8) Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing overhead. Fixed manufacturing overhead is allocated based on normal production capacity, but excluding borrowing costs. The lower of cost or net realizable value is determined on an item-by-item basis. Net realizable value is the estimated selling price of inventories, less all estimated costs of completion and the costs necessary to make the sale in the ordinary course of business.

(9) Biological assets

Biological assets are measured at fair value less costs to sell at initial recognition and at the end of each financial reporting period, unless their fair value cannot be reliably measured. Gains or losses arising from the initial recognition of biological assets at fair value less costs to sell, as well as gains or losses from changes in the fair value less costs to sell of biological assets, shall be recognized in profit or loss for the period in which they occur. Biological assets whose fair value cannot be reliably measured shall be measured at cost less accumulated depreciation and accumulated impairment losses.

(10) Property, plant and equipment

A. Property, plant and equipment are stated at cost with interests incurred during construction or acquisition capitalized. For property, plant, and equipment under construction, samples produced during testing to determine if the assets can operate normally before reaching their intended use are measured at the lower of cost and net realizable value, with sales proceeds and costs recognized in profit or loss.

B. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts shall be derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.

C. Land is not depreciated. Other property, plant, and equipment are measured using the cost model and depreciated on a straight-line basis over their estimated useful lives. At the end of each financial year, the Group reviews the residual values, useful lives, and depreciation methods of each asset. If there are differences between the expected residual values or useful lives compared to previous estimates, or significant changes in the consumption pattern of future economic benefits of the asset, they shall be accounted for as changes in accounting estimates in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of changes. The useful lives of various assets are as follows:

Buildings	2 to 35 years
Machinery and equipment	2 to 20 years
Transportation equipment	4 to 10 years
Lease improvements	10 years
Miscellaneous equipment	2 to 22 years

D. Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on derecognition of property, plant and equipment is the difference between net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss.

(11) Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for low-value asset leases and short-term leases where lease payments are recognized as expenses on a straight-line basis.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred, and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the underlying assets' ownership is transferred to the Group at the end of lease term, or the cost of right-of-use assets reflects the fact that the Group will exercise the purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of underlying assets' useful life.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments and variable lease payments that are determined by an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in lease terms, assessments on the purchase option of underlying assets, amounts expected to be paid under residual value guarantees, or future lease payments due to changes in the index or rate used to determine the lease payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments of leases that are not determined by an index or a rate are recognized as expenses as incurred.

B. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments, net of lease incentives, from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

(12) Intangible assets

Intangible assets with finite useful lives acquired separately are measured at cost less accumulated amortization and accumulated impairment. Amortization is recognized on a straight-line basis by the following useful lives: Computer software - 5 years and Proprietary technology - 10 years. Intangible assets with indefinite useful lives, such as goodwill and licenses, must be tested for impairment at least annually or whenever there are indications of impairment. The estimated useful lives and amortization methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on derecognition of intangible assets is the difference between net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss of the period.

(13) Impairment of non-financial assets

At the end of each reporting period, the Group estimates the recoverable amount of assets with indications of impairment and recognizes impairment losses when the assets' recoverable amount is less than their carrying amounts. The recoverable amount is the higher of fair value less costs to sell or value in use. If the conditions that led to the recognition of impairment in previous years no longer exist, the Company may reverse the impairment recognized, with the reversal amount limited to the extent of the impairment loss recognized in those previous years.

Goodwill is not amortized but is subject to an annual impairment test. If there are indications of impairment, the test shall be conducted more frequently. During an impairment test, goodwill shall be allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from it. If the recoverable amount of a CGU is lower than its carrying amount, the difference is first allocated to reduce the carrying amount of the goodwill allocated to that CGU. Any remaining impairment loss is then allocated on a pro-rata basis to the other assets of the CGU based on the carrying amount of each asset. Any goodwill impairment loss shall be recognized immediately as a loss for the year and shall not be reversed in subsequent periods.

(14) Provisions

Provisions (including short-term employee benefits) are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, of which amount can be reliably estimated. The measurement of provisions is based on the best estimate of the present value of the expenditure required to settle the obligation as of the balance sheet date. The discount rate used shall be a pre-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the liability. Amortization of discount shall be recognized as interest expense.

Provisions shall not be recognized for future operating losses.

(15) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognized as an expense when the related services are rendered.

B. Pension - Defined contribution plan

For defined contribution plans, the amount of the retirement fund to be contributed is recognized as pension cost for the period on an accrual basis. Prepaid contributions are recognized as an asset to the extent that they represent refundable cash or reduce future payments.

C. Employee compensation and remuneration to directors

Employee compensation and remuneration to directors are recognized as expenses and liabilities when the Group has legal or constructive obligations and the amounts can be reasonably estimated. If the amount accrued differs from the amount resolved to be distributed, the difference would be recognized as changes in accounting estimate.

(16) Share capital and treasury stocks

A. Share capital

Common stocks are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options are recorded as a reduction of proceeds within equity.

B. Treasury stocks

When the Company repurchases its issued shares, the consideration paid (including directly attributable costs) is recognized as “treasury stock”, which is presented as a deduction in equity. If treasury stock is subsequently disposed of at a price higher than its carrying amount, the difference is recorded in capital surplus - treasury stock transactions. If disposed of at a price below its carrying amount, the difference is first offset against the capital surplus arising from prior treasury stock transactions of the same category. If the capital surplus is insufficient, the shortfall is debited to retained earnings. The carrying amount of treasury stock is calculated using the weighted average method, and is determined separately by purchase reason.

When treasury stock is retired, capital surplus - additional paid-in capital and share capital are debited on a pro rata basis. If the carrying amount of the treasury stock exceeds the sum of its par value and additional paid-in capital, the difference is first offset against the capital surplus arising from prior treasury stock transactions of the same category. If the capital surplus is insufficient, the remaining shortfall is offset against retained earnings. Conversely, if the carrying amount is lower than the sum of its par value and additional paid-in capital, the difference is credited to capital surplus arising from prior treasury stock transactions of the same category.

(17) Income tax

A. Income tax expense includes both current and deferred income taxes. Except for income taxes related to items recognized in other comprehensive income or directly in equity, which are separately recognized in other comprehensive income or directly in equity, income taxes are recognized in profit or loss.

B. Current income tax is calculated based on the taxable income generated by the Group, using the tax rates that are enacted or substantially enacted as of the balance sheet date. Management periodically reviews the income tax filings in accordance with applicable tax laws and regulations, and, where appropriate, estimates income tax liability based on the expected amounts to be paid to tax authorities. Income tax imposed by the Income Tax Act on undistributed earnings is recognized as an income tax expense based on the actual distribution after the distribution proposal is approved at the shareholders' meeting following the year in which the earnings were generated.

C. Deferred income tax is accounted for using the balance sheet method, which recognizes temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. Similarly, deferred income tax is not recognized if it originates from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss) nor gives rise to equal taxable and deductible temporary differences. Temporary differences from investments in subsidiaries are not recognized if the Group controls the timing of the reversal of these temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred income tax is measured at the tax rates (and tax laws) that are expected to apply when the related assets are realized or the liabilities are settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

D. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and carryforward of unused tax credits can be utilized. Deferred income tax assets, both unrecognized and recognized, are reassessed at the end of each reporting period.

E. The current income tax assets and current income tax liabilities are offset when there is a legally enforceable right to set off current income tax assets and liabilities, and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off the current income tax assets against current income tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxed levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend to settle current tax liabilities and assets on a net basis or realize the assets and settle the liabilities simultaneously.

(18) Revenue recognition

A. Sale of goods

(a) The Group recognizes revenue from the sale of fresh eggs, egg products, pullets and related products when control of the product is transferred to the customer, i.e., when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and the Group does not have any unsatisfied performance obligations that may affect the customer's acceptance of the product. The product is considered delivered when it is delivered to the designated location, the risks of obsolescence and loss have been transferred to the customer, and either the customer accepts the product according to the sales contract or there is objective evidence that all acceptance criteria have been met.

(b) Revenue from the sale of fresh eggs, egg products, and pullets is recognized at the contract price, net of estimated quantity discounts and sales allowances. Quantity discounts and sales allowances given to customers are usually calculated based on sales volume. The Group estimates sales allowances using the expected value method based on historical experience. Revenue recognition is limited to the portion of revenue where a significant reversal is highly unlikely to occur in the future, and estimates are updated at each balance sheet date. Except for cash sales, the collection terms for sales transactions are one to two months after the shipment date, which is consistent with market practice. Therefore, it is determined that the contract does not contain a significant financing component.

(c) Accounts receivables are recognized when products are delivered to the customers, as the Group then has an unconditional right to the contract price and can collect the consideration from the customers as time passes.

B. Financing component

For the Group's contracts with customers, the time interval between the transfer of promised goods or services and the customer's payment does not exceed one year. Therefore, the Group has not adjusted the transaction price to reflect the time value of money.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are included as part of the cost of that asset until substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Income earned on temporary investment of funds borrowed specifically before they are used for expenditures on the qualifying asset shall be deducted from the costs eligible for capitalization.

All other borrowing costs, apart from those mentioned above, are recognized in profit or loss in the period in which they are incurred.

5. Critical Accounting Judgments, Estimates and Major Sources of Assumption Uncertainty

The Group incorporates the economic impact of climate change and related government policies and regulations into significant accounting estimates and will continue to review the underlying assumptions and estimates. If the adjustment to the estimate affects only the current period, it is recognized in the current period. If the adjustment to the accounting estimate affects both the current and future periods, it is recognized in both the current and future periods.

When preparing the consolidated financial statements, the Group has made the following critical judgments, estimates, and assumptions in applying its accounting policies:

(1) Significant judgments in applying accounting policies:

A. Revenue recognition

The Group assesses under IFRS 15 whether it obtains control of specified goods or services before they are transferred to a customer to determine whether it is acting as a principal or an agent in the transaction. If the Group is determined to be acting as an agent, revenue is recognized on a net basis.

The Group is acting as a principal if any of the following conditions is met:

(a) the Group obtains control of a good or another asset from the other party that it then transfers to the customer; or

(b) the Group controls the right to a service to be performed by the other party, which gives it the ability to direct that party to provide the service to the customer on behalf of the Group; or

(c) the Group obtains control of a good or service from the other party that it then combines with other goods or services in providing specific good or service to the customer.

Indicators that help the Group determine whether it has control of a specified good or service before transferring it to customers include (but are not limited to):

(a) The Group is primarily responsible for fulfilling the promise to provide the specified good or service.

(b) The Group has inventory risk before the specified good or service is transferred to a customer or after the transfer of control to the customer (for example, if the customer has a right of return).

(c) The Group has discretion in establishing the price.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible and intangible assets

During the asset impairment assessment process, the Group needs to rely on subjective judgments and take into account the asset usage patterns and industry characteristics to determine the independent cash flows of specific asset groups, their useful lives, and the potential future revenues and expenses. Changes in economic conditions or corporate strategies could lead to significant impairments in the future.

B. Inventory valuation

Since inventories shall be valued at the lower of cost or net realizable value, the Group shall use judgment and estimates to determine the net realizable value of inventories at the end of the reporting period. The Group assesses the amount of inventories at the end of the reporting period with consideration to normal wear and tear, obsolescence, or lack of market value, and writes down the inventory cost to its net realizable value.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Estimated impairment of financial assets

The estimated impairment of accounts receivables is based on the Group's assumptions regarding default rates and expected loss rates. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and determines inputs for impairment assessment. Less-than-expected future cash flows could result in significant impairment losses.

6. Details of Significant Accounts

(1) Cash and cash equivalents

Items	December 31, 2024	December 31, 2023
Cash	$ 738	$ 1,071
Checking deposits	232	237
Demand deposits	254,681	213,039
Foreign-currency deposits	1,599	48,727
Total	$ 257,250	$ 263,074

A. The Group only transacts with financial institutions with sound credit quality and it maintains relationships with several financial institutions to diversify credit risk. The probability of default is expected to be very low.

B. The Group's cash and cash equivalents were not pledged.

(2) Notes receivable, net

Items	December 31, 2024	December 31, 2023
Measured at amortized cost		
Gross carrying amount	$ 733	$ 4,047
Less: Loss allowance	-	-
Notes receivable, net	$ 733	$ 4,047

A. The Group's notes receivables were not pledged.

B. Please refer to Note 6(3) for details on loss allowances of notes receivable.

(3) Accounts receivable, net

Items	December 31, 2024	December 31, 2023
Measured at amortized cost		
Gross carrying amount	$ 187,940	$ 235,456
Less: Loss allowance	(129)	(76)
Accounts receivable, net	$ 187,811	$ 235,380

A. The Group's accounts receivables arising from the sales of goods have an average credit period of one to two months, which is determined based on the industry characteristics, business scale, and profitability of the counterparties.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. For related party transactions, please refer to Note 7(3)C for details.

C. The Group's accounts receivables were not pledged.

D. The Group adopts the simplified approach under IFRS 9 and measures loss allowance at an amount equal to lifetime expected credit losses (ECLs) for all accounts receivables. The lifetime ECLs are estimated using a provision matrix by considering the customer's past default experience and current financial position as well as the general economic conditions of the industry. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance is not further distinguished according to customer base. The Group determines the ECL rates based on the past due days of accounts receivables.

The Group writes off related accounts receivable when there is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. However, the Group would continue to engage in enforcement activity to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

E. The following table details the loss allowance of notes and accounts receivables (including related parties) based on the Group's provision matrix:

December 31, 2024	ECL Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$ 185,461	$ -	$ 185,461
1 to 30 days	3%	3,055	92	2,963
31 to 90 days	5%	93	5	88
Over 91 days	50%~100%	64	32	32
Total		$ 188,673	$ 129	$ 188,544

December 31, 2023	ECL Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$ 238,124	$ -	$ 238,124
1 to 30 days	3%	497	15	482
31 to 90 days	5%	864	43	821
Over 91 days	50%~100%	18	18	-
Total		$ 239,503	$ 76	$ 239,427

F. The movements in the loss allowance of notes and accounts receivables were as follows:

Items	Years Ended December 31 2024	2023
Beginning balance	$ 76	$ 18
Add: Impairment loss recognized (reversed)	63	58
Less: Write off	(10)	-
Ending balance	$ 129	$ 76

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

G. The Group does not hold any collateral or other credit enhancements for these accounts receivables.

H. Please refer to Note 12 for information on related credit risk management and assessment methods.

(4) Inventories and cost of goods sold

Items	December 31, 2024	December 31, 2023
Raw materials (supplies)	$ 16,049	$ 18,617
Work in progress	267	188
Finished goods	21,153	12,499
Total	$ 37,469	$ 31,304

A. Inventory gains or losses recognized as cost of goods sold for the period were as follows:

	Years Ended December 31	
Items	2024	2023
Cost of inventories sold	$ 876,105	$ 823,448
Sale of consumable biological assets	6,499	25,315
(Gain on reversal of) inventory write-downs	844	782
Loss (gain) on physical inventory	156	1,524
Obsolescence	645	1,150
Revenue from sale of scrap and waste materials	(2,282)	(3,019)
Gain (loss) on agricultural produce for the period	21,200	103,457
Total operating costs	$ 903,167	$ 952,657

B. For the years ended December 31, 2024 and 2023, the Group recognized inventory write-downs of NT$844 thousand and NT$782 thousand, respectively, for writing down inventories to their net realizable value.

C. The Group's inventories were not pledged.

(5) Biological assets

A. Details of biological assets

	December 31, 2024	December 31, 2023
Biological assets - current		
Consumable biological assets - poultry	$ 11,429	$ 13,596
Biological assets - non-current		
Bearer biological assets - poultry	$ 182,856	$ 160,929
Bearer biological assets - accumulated depreciation	(63,454)	(86,156)
Total	$ 119,402	$ 74,773

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Consumable biological assets are ones that are to be harvested as agricultural produce or sold as biological assets. Bearer biological assets refer to biological assets other than consumable biological assets.

B. Reconciliation of the carrying amount of biological assets

Items	Years Ended December 31 2024	2023
Balance as of January 1	$ 88,369	$ 105,819
Raising costs	137,526	120,108
Increases due to purchases during the period	25,781	-
Depreciation	(92,133)	(72,427)
Sale and write-off	(22,213)	(39,816)
Transferred to inventories	(6,499)	(25,315)
Balance as of December 31	$ 130,831	$ 88,369

C. Biological assets of the Group mainly consist of chicks, pullets, and layer hens. Due to the difficulty in obtaining direct market prices for chicks and pullets during their raising period, the short production cycle of layer hens, and the impact of external factors such as climate and disease on the reliability of discounted cash flow estimates, these biological assets are measured using the cost model. The cost of biological assets includes all costs incurred during the growth cycle, such as the purchase costs of livestock, poultry and feed, and farm-related expenses. The cost of bearer biological assets is amortized on a straight-line basis over their productive period, which is approximately 16 months for layer hens. For the years ended December 31, 2024 and 2023, the depreciation expenses of biological assets amounted to NT$92,133 thousand and NT$72,427 thousand, respectively.

D. Estimated quantity of biological assets

Unit: Thousand heads

Items	December 31, 2024	December 31, 2023
Quantity of biological assets	1,001	819

E. Financial risk management strategies

The Group’s financial risk primarily arises from fluctuations in egg prices. The Group does not anticipate a significant decline in egg prices in the foreseeable future; therefore, no derivative contracts have been executed. The Group regularly reviews its expectations of egg prices to assess the necessity of adopting proactive financial risk management measures.

(6) Other financial assets

Items	December 31, 2024	December 31, 2023
Time deposits with original maturities over three months	$ -	$ 100,000

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	December 31, 2024	December 31, 2023
Reserve account	$ -	$ 428
Total	$ -	$ 100,428

(Concluded)

A. The annual interest rate for bank time deposits as of December 31, 2023, was 1.33%.

B. Please refer to Note 8 for other financial assets pledged.

(7) Property, plant and equipment

Items	December 31, 2024	December 31, 2023
Land	$ 292,090	$ 270,521
Buildings	853,289	848,860
Machinery and equipment	893,262	883,629
Lease improvements	18,103	18,545
Other equipment	41,017	30,875
Construction in progress and equipment awaiting inspection	255,554	28,367
Total costs	$ 2,353,315	$ 2,080,797
Less: Accumulated depreciation	(695,832)	(620,225)
Accumulated impairment	-	-
Net	$ 1,657,483	$ 1,460,572

	Land	Buildings	Machinery and Equipment	Lease Improvement	Other Equipment	Construction in Progress and Equipment Awaiting Inspection	Total
Cost							
Balance as of January 1, 2024	$ 270,521	$ 848,860	$ 883,629	$ 18,545	$ 30,875	$ 28,367	$ 2,080,797
Additions	35	4,429	7,991	-	3,155	277,814	293,424
Disposals	-	-	(20,428)	(442)	(36)	-	(20,906)
Reclassifications	21,534	-	22,070	-	7,023	(50,627)	-
Balance as of December 31, 2024	$ 292,090	$ 853,289	$ 893,262	$ 18,103	$ 41,017	$ 255,554	$ 2,353,315
Accumulated depreciation and impairment							
Balance as of January 1, 2024	$ -	$ 167,265	$ 425,022	$ 12,203	$ 15,735	$ -	$ 620,225
Depreciation	-	28,170	60,151	1,888	3,702	-	93,911
Disposals	-	-	(17,826)	(442)	(36)	-	(18,304)
Balance as of December 31, 2024	$ -	$ 195,435	$ 467,347	$ 13,649	$ 19,401	$ -	$ 695,832

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Land	Buildings	Machinery and Equipment	Lease Improvement	Other Equipment	Construction in Progress and Equipment Awaiting Inspection	Total
Cost							
Balance as of January 1, 2023	$ 224,521	$ 844,086	$ 782,317	$ 18,545	$ 26,032	$ 7,916	$ 1,903,417
Additions	-	4,320	12,102	-	4,912	111,815	133,149
Disposals	-	-	(1,685)	-	(84)	-	(1,769)
Property-based investments	46,000	-	-	-	-	-	46,000
Reclassifications	-	454	90,895	-	15	(91,364)	-
Balance as of December 31, 2023	$ 270,521	$ 848,860	$ 883,629	$ 18,545	$ 30,875	$ 28,367	$ 2,080,797
Accumulated depreciation and impairment							
Balance as of January 1, 2023	$ -	$ 139,279	$ 372,051	$ 10,422	$ 12,671	$ -	$ 534,423
Depreciation	-	27,986	54,643	1,781	3,129	-	87,539
Disposals	-	-	(1,672)	-	(65)	-	(1,737)
Balance as of December 31, 2023	$ -	$ 167,265	$ 425,022	$ 12,203	$ 15,735	$ -	$ 620,225

A. Reconciliation of the additions for the period and the acquisition of property, plant and equipment in the statements of cash flows is as follows:

Items	Years Ended December 31 2024	2023
Additions to property, plant and equipment	$ 293,424	$ 133,149
(Increase) decrease in payables on equipment	1,373	63
Cash paid for acquisition of property, plant and equipment	$ 294,797	$ 133,212

B. Please refer to Note 6(26) for details on capitalization of borrowing costs related to property, plant and equipment.

C. Impairment loss on property, plant and equipment for the years ended December 31, 2024 and 2023 was NT$0 thousand.

D. Please refer to Note 8 for collateral provided using property, plant and equipment.

E. For the benefit of consolidating the plant area and corporate long-term developments, the Group acquired land adjacent to the composting site, i.e., land parcels with serial numbers 224, 224-1, and 224-2 in the Wanlong Section, totaling 3,068.96 ping. After negotiating with the owner, the transaction amount was set at NT$21,500 thousand, which had been paid in full by the Group in accordance with the contract.

F. To expand production capacity, the Group signed a contract in September 2024 to purchase livestock farmland, including the associated buildings and equipment, for a total of NT$90,000 thousand. In accordance with the agreement, the full payment was deposited into a performance guarantee account. However, as of December 31, 2024, the transfer of ownership had not yet been finalized. In October 2024, the parties signed a supplementary agreement to amend the transaction details and reduce the purchase price to NT$88,000 thousand. The excess payment of NT$2,000 thousand will be refunded to the Group upon completion of the ownership transfer, as mutually agreed.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

G. In March 2023, the Group entered into a tripartite investment agreement with its subsidiary, ChinNungHsing Eggs Co., Ltd. (which later changed its name to Dawushan Ise Foods Co., Ltd.), and the landowner, X-Fu Hong. Under the agreement, the Company will provide capital and manage the sales channels for egg products, while the landowner, X-Fu Hong, will contribute property as equity and be responsible for supplying the eggs. Based on the land valuation conducted by Wau Yuan Property Appraisal Co., Ltd. in February 2023, the land was valued at NT$46,071 thousand. Consequently, both parties agreed on an investment amount of NT$46,000 thousand.

H. As of December 31, 2024 and 2023, the portion of land designated for agricultural and pastoral use, which, due to legal restrictions, could not be registered in the Group's name and was instead registered under individuals, was valued at NT$51,205 thousand and NT$29,635 thousand, respectively. As of December 31, 2024, the Group had completed the registration of mortgage rights as part of its security measures to safeguard its interests.

(8) Lease agreements

A. Right-of-use assets

Items	December 31, 2024	December 31, 2023
Livestock housing and equipment	$ 38,885	$ -
Buildings	8,020	9,384
Transportation equipment	1,474	4,937
Total costs	48,379	14,321
Less: Accumulated depreciation	(15,037)	(8,907)
Accumulated impairment	-	-
Net	$ 33,342	$ 5,414

Costs	Livestock Housing and Equipment	Buildings	Transportation Equipment	Total
Balance as of January 1, 2024	$ -	$ 9,384	$ 4,937	$ 14,321
Additions	38,885	-	-	38,885
Derecognitions	-	(1,364)	(3,463)	(4,827)
Balance as of December 31, 2024	$ 38,885	$ 8,020	$ 1,474	$ 48,379
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	$ -	$ 5,971	$ 2,936	$ 8,907
Depreciation	8,101	1,161	1,448	10,710
Derecognitions	-	(1,117)	(3,463)	(4,580)
Balance as of December 31, 2024	$ 8,101	$ 6,015	$ 921	$ 15,037

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Buildings	Transportation Equipment	Total
Costs			
Balance as of January 1, 2023	$ 9,384	$ 4,668	$ 14,052
Additions	-	1,474	1,474
Derecognition	-	(1,205)	(1,205)
Balance as of December 31, 2023	$ 9,384	$ 4,937	$ 14,321
Accumulated Depreciation and Impairment			
Balance as of January 1, 2023	$ 4,398	$ 2,429	$ 6,827
Depreciation	1,573	1,712	3,285
Derecognition	-	(1,205)	(1,205)
Balance as of December 31, 2023	$ 5,971	$ 2,936	$ 8,907

B. Lease liabilities

Items	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 10,965	$ 2,704
Non-current	$ 22,646	$ 2,874

The discount rate range for lease liabilities was 1.40% ~ 2.07%.

Please refer to Note 12(2) for the maturity analysis of lease liabilities.

C. Material lease-in activities and terms

To expand operations, the Board approved leasing livestock housing and equipment, including ChengHao Livestock Farm, from parent company Kuo Hsing Poultry & Livestock Feeds Co., Ltd., on January 29, 2024. The lease runs from March 2024 to February 2028, with a monthly payment of NT$887 thousand (tax included). The Group recognized right-of-use assets at lease commencement.

The Group leases several buildings and transportation equipment for operations, with remaining terms of 0.25 to 2 years. Some leases include renewal options upon expiration of the lease terms. According to the contract, subleasing is prohibited without the lessor’s consent. As of December 31, 2024 and 2023, the right-of-use assets showed no signs of impairment, so no impairment assessment was conducted.

D. Other lease information

(a) Lease-related expenses for the period were as follows:

Items	Years Ended December 31 2024	Years Ended December 31 2023
Expense of short-term leases	$ 4,520	$ 2,438
Total cash outflows of leases (Note)	$ 15,121	$ 5,736

(Note): Including the principal repayments of lease liabilities for the period.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(9) Intangible assets

Items	December 31, 2024	December 31, 2023
Licenses	$ 23,810	$ 23,810
Goodwill	21,500	21,500
Proprietary technology	8,571	8,571
Computer software	5,737	5,386
Total costs	59,618	59,267
Less: Accumulated amortization	(6,505)	(4,502)
Accumulated impairment	(4,739)	-
Net	$ 48,374	$ 54,765

	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Costs					
Balance as of January 1, 2024	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Additions	-	-	-	351	351
Balance as of December 31, 2024	$ 23,810	$ 21,500	$ 8,571	$ 5,737	$ 59,618
Accumulated Amortization and Impairment					
Balance as of January 1, 2024	$ -	$ -	$ 2,000	$ 2,502	$ 4,502
Amortization	-	-	857	1,146	2,003
Impairment loss	-	4,739	-	-	4,739
Balance as of December 31, 2024	$ -	$ 4,739	$ 2,857	$ 3,648	$ 11,244

	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Costs					
Balance as of January 1, 2023	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Additions	-	-	-	-	-
Balance as of December 31, 2023	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Accumulated Amortization and Impairment					
Balance as of January 1, 2023	$ -	$ -	$ 1,143	$ 1,422	$ 2,565
Amortization	-	-	857	1,080	1,937
Balance as of December 31, 2023	$ -	$ -	$ 2,000	$ 2,502	$ 4,502

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

A. In September 2021, the Group recognized goodwill arising from the acquisition of TienTiJen Egg Farm, primarily due to expected synergies, revenue growth, and future market development. According to IAS 36, goodwill acquired through business combinations must be tested for impairment at least annually.

B. As of December 31, 2024, the Company determined that the recoverable amount, calculated based on its value in use, was lower than its carrying amount. Consequently, a goodwill impairment loss of NT$4,739 thousand was recognized in 2024. The recoverable amount was determined using the value-in-use approach, based on the estimated future cash flows from the five-year financial budget approved by management, discounted at an annual discount rate of 10%.

(10) Short-term loans

As of December 31, 2024: None.

	December 31, 2023	
Nature of Loans	Amount	Interest Rate
Mortgage loans	$ 66,000	1.95%-2.10%

For short-term loans, the Group provided some property, plant and equipment as collateral. Please refer to Note 8 for details.

(11) Other payables

Items	December 31, 2024	December 31, 2023
Unrelated parties:		
Accrued payroll and employee benefits	$ 30,198	$ 24,540
Compensation of employees and remuneration of directors and supervisors - current period	8,977	7,597
Accrued freight expense	11,298	10,942
Payable for purchase of equipment	333	1,706
Sales discounts and allowances payable	11,462	8,606
Accrued channel fees	2,988	3,141
Accrued repair and maintenance expense	4,112	1,214
Accrued professional service fees	2,010	1,422
Accrued insurance expense	2,585	1,961
Sales tax payable	1,315	1,822
Others	14,103	17,451
Subtotal of unrelated parties	89,381	80,402
Related parties:		
Outsourcing fee payable	-	576
Others	405	-
Subtotal of related parties	405	576
Total	$ 89,786	$ 80,978

Please refer to Note 7(3)D for details on related party transactions.

(12) Provisions - current

Items	December 31, 2024	December 31, 2023
Employee benefits	$ 3,708	$ 3,173

Items	Employee Benefits Years Ended December 31 2024	2023
Beginning balance	$ 3,173	$ 2,519
Additions	3,708	3,173
Used	(3,173)	(2,519)
Ending balance	$ 3,708	$ 3,173

Provision for employee benefits is an estimate of employees' vested rights for short-term service leaves.

(13) Long-term loans and current portion of long-term loans

Items	December 31, 2024	December 31, 2023
Secured loans	$ 324,526	$ 500,411
Credit loans	-	122,579
Total	324,526	622,990
Less: Current portion	(21,181)	(98,590)
Long-term loans	$ 303,345	$ 524,400
Interest rate range	1.98%-2.095%	1.95%-2.275%

For long-term loans, the Group provided some property, plant and equipment as collateral. Please refer to Note 8 for details.

(14) Share capital

Reconciliation of the number and dollar amount of common stocks outstanding at the beginning and end of the period is as follows:

	Year Ended December 31, 2024 No. of Shares (in thousands)	Amount
Balance as of January 1	60,750	$ 607,500
Issuance of common stocks for cash	7,595	75,950
Balance as of December 31	68,345	$ 683,450

	Year Ended December 31, 2023	
	No. of Shares (in thousands)	Amount
Balance as of January 1	55,000	$ 550,000
Issuance of common stocks for cash	3,000	30,000
Capitalization of earnings	2,750	27,500
Balance as of December 31	60,750	$ 607,500

A. As of December 31, 2024, the Company's authorized capital was NT$1,000,000 thousand, divided into 100,000 thousand shares. The said capital included 5,000 thousand shares with the amount of NT$50,000 thousand reserved for the issuance of employee stock options. The Company may authorize the Board of Directors to issue the shares in tranches in accordance with relevant laws and regulations.

B. On June 16, 2023, the Company's annual shareholders' meeting approved a capital increase through retained earnings of NT$27,500 thousand. The plan was subsequently approved by the FSC on June 27, 2023. The capital increase involved issuing 2,750 thousand common stocks with a par value of NT$10 each, and the record date was set on July 23, 2023.

C. On June 29, 2023, the Company's Board of Directors approved a cash capital increase of NT$30,000 thousand. The plan was approved by the FSC on August 8, 2023. The capital increase involved issuing 3,000 thousand common stocks at a premium. The issue price was set at NT$56 per share, and the record date was set on September 19, 2023. The registration of the cash capital increase was completed on October 23, 2023.

D. On March 29, 2024, the Company's Board of Directors resolved to increase capital by issuing 7,595 thousand new shares, each with a par value of NT$10, at a premium of approximately NT$57.13 per share. Following this capital increase, the paid-in capital amounted to NT$683,450 thousand. The record date was set on June 11, 2024 and the registration of the cash capital increase was completed.

(15) Capital surplus

Items	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 542,949	$ 188,009
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6	10
Employee stock options expired (Note 2)	6	6
Others (Note 4)	42,325	42,325
Total	$ 585,286	$ 230,350

A. According to the Company Act, capital surplus arising from shares issued at premium or from endowments may be used to offset a deficit. If the Company has no accumulated deficits, such capital surplus may be distributed as stock or cash dividends in proportion to shareholders' original holdings. The Company shall not use capital surplus to offset losses unless the retained earnings are insufficient to cover the losses. Capital surplus generated from investments accounted for using the equity method shall not be used for any purposes.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. In September 2023, the Company conducted a cash capital increase. According to Article 267 of the Company Act, 10% of the total new shares issued, i.e., 300 thousand shares, were reserved for employee subscription. These equity instruments were measured at fair value as of the grant date, and recognized as payroll expenses and capital surplus - stock options of NT$15 thousand. After the subscription, the capital surplus - stock options were reclassified to capital surplus - additional paid-in capital of NT$9 thousand and expired employee stock options of NT$6 thousand.

C. In June 2024, the Company conducted a cash capital increase. According to Article 267 of the Company Act, 10% of the total new shares issued, i.e., 760 thousand shares, were reserved for employee subscription. These equity instruments were measured at fair value as of the grant date, and recognized as payroll expenses and capital surplus - stock options of NT$0 thousand.

D. Please refer to Note 6(16)C for transactions related to capital surplus - others.

(16) Retained earnings

A. Pursuant to the Company's Articles of Incorporation, when the Company generates profits for the current year, it shall first provide for taxes, offset accumulated losses and then set aside 10% of the remaining balance as legal reserve, unless the legal reserve has equaled the Company's total capital. Next, the Company shall appropriate or reverse a special reserve based on the Company's operational needs and applicable laws and regulations. The Board of Directors would then draft an earning distribution proposal based on the remaining profit, if any, together with cumulative undistributed earnings, and submit it to the shareholders' meeting for a resolution.

The Company's dividend policy is designed to align with current and future development plans, while taking into account the investment environment, funding needs, and domestic and international competitions, as well as the interests of shareholders. At least 10% of the distributable earnings for the year shall be allocated to shareholder dividends. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, the Company may elect not to distribute dividends. Dividends may be distributed in the form of cash or stock, and cash dividend shall not be less than 10% of the total dividends.

B. Legal reserve may not be used except to offset deficits or to be distributed as new shares or cash in proportion to shareholders' original holdings. However, the distributions of new shares or cash are limited to the portion of the reserve that exceeds 25% of the paid-in capital.

C. Information about the appropriation of 2023 and 2022 earnings and dividend per share resolved in the shareholders' meetings in May 2024 and June 2023, respectively, was as follows:

	Appropriation of Earnings		Dividend per Share (NT$)	
Items	2023	2022	2023	2022
Legal reserve	$ 7,208	$ 15,996		
Special reserve	-	42,325		

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	Appropriation of Earnings 2023	Appropriation of Earnings 2022	Dividend per Share (NT$) 2023	Dividend per Share (NT$) 2022
Cash dividends for common stocks	$ 68,345	$ 55,000	1.00 (Note)	1.00
Stock dividends for common stocks	-	27,500	0	0.50
Total	$ 75,553	$ 140,821		

(Concluded)

(Note): The original earnings distribution plan proposed a cash dividend of NT$1.125 per share. However, due to a capital increase in June, the total number of shares was adjusted to 68,345 thousand shares. As a result, the actual cash dividend per share is NT$1.00.

(a) Reasons for appropriating special reserve:

On September 1, 2021, the Group acquired real estate of the TienTiJen Egg Farm from the related party, Kuo Hsing Poultry & Livestock Feeds Co., Ltd., for NT$248,635 thousand (tax included). According to Paragraph 1, Article 16 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the transaction cost was assessed to be NT$206,311 thousand. In accordance with Paragraph 1, Article 18 of the same Regulations, the Group shall appropriate a special reserve for the difference of NT$42,325 thousand between the transaction price and the assessed cost.

(b) Reversal of special reserve:

Since Kuo Hsing Poultry & Livestock Feeds Co., Ltd. refunded the aforementioned price difference of NT$42,325 thousand (recorded under capital surplus - other) on June 6, 2023, the Group applied to the Securities and Futures Bureau on June 16, 2023 for an approval to reverse the special reserve. The approval was granted on June 30, 2023.

D. Information about the appropriation of 2024 earnings and dividend per share proposed by the Board of Directors in February 2025 was as follows:

Items	Year Ended December 31, 2024 Appropriation of Earnings	Year Ended December 31, 2024 Dividend per Share (NT$)
Legal reserve	$ 9,480	
Cash dividends for common stocks	67,345	1.00 (Note)
Total	$ 76,825	

(Note): The calculation excludes 1,000 thousand treasury stocks.

Additionally, a cash dividend of NT$1.00 per share will be distributed from the capital surplus. The 2024 earnings and capital surplus distribution proposals were pending resolution at the annual shareholders' meeting.

E. Information regarding the Board of Directors' proposals and the shareholders' meeting resolutions on earnings distribution is available on the "Market Observation Post System" of the Taiwan Stock Exchange.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(17) Treasury stocks

A. Reasons for share repurchase and changes in quantity

In Thousand Shares

	Year Ended December 31, 2024			
Reason for Repurchase	January 1	Increase	Decrease	December 31
Transfer to employees	-	745	-	745

For the year ended December 31, 2023: None.

B. On November 22, 2024, the Group resolved in a Board meeting to repurchase 1,000 thousand shares to be transferred to employees between November 25, 2024, and January 24, 2025. As of December 31, 2024, the Company had repurchased 745 thousand shares, totaling NT$36,511 thousand, and the repurchase was fully completed as of the financial statement issuance date.

C. According to the Securities and Exchange Act, the total number of repurchased shares must not exceed 10% of the Company's total issued shares, and the total repurchase amount must not exceed the aggregate of retained earnings, share premium, and realized capital surplus.

D. Treasury stocks held by the Company cannot be pledged in accordance with the Securities and Exchange Act. Before being transferred, these stocks do not carry shareholder rights.

E. According to the Securities and Exchange Act, stocks repurchased for employee transfer must be transferred within five years from the repurchase date. Stocks not transferred within this period would be deemed unissued shares of the Company and must be canceled and registered accordingly.

(18) Non-controlling interests (NCIs)

	Years Ended December 31	
Items	2024	2023
Beginning balance	$ 57,270	$ 10,303
Shares attributable to NCIs:		
Net income (loss)	917	477
New acquisitions through merger	-	500
Increase in NCIs - Cash capital increase	46,500	-
Increase in NCIs - Property capital increase	-	46,000
Increase (decrease) in NCIs	4	(10)
Ending balance	$ 104,691	$ 57,270

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(19) Operating revenue

Items	Years Ended December 31 2024	2023
Revenue from contracts with customers		
Sales revenue	$ 1,251,936	$ 1,161,112
Less: Sales returns	(294)	(23)
Sales discounts and allowance	(32,798)	(12,260)
Net revenue from contracts with customers	$ 1,218,844	$ 1,148,829

A. Contracts with customers

Revenue comes from the sale of fresh eggs, processed egg products, and pullets, primarily to wholesalers and retailers, at fixed prices stipulated in contracts.

B. Breakdown of revenue from contracts with customers

The Group's revenue comes from the transfer of goods at a specific point in time. Revenue can be divided into the following main business segments:

(a) Breakdown by product type:

For the year ended December 31, 2024

	Fresh Eggs	Processed Egg Products	Others	Total
External customers				
Contract revenue	$ 993,305	$ 218,252	$ 7,287	$1,218,844
Timing of revenue recognition				
Products transferred at a specific point in time	$ 993,305	$ 218,252	$ 7,287	$1,218,844

For the year ended December 31, 2023

	Fresh Eggs	Processed Egg Products	Others	Total
External customers				
Contract revenue	$ 903,488	$ 213,043	$ 32,298	$1,148,829
Timing of revenue recognition				
Products transferred at a specific point in time	$ 903,488	$ 213,043	$ 32,298	$1,148,829

C. Contract balances

The Group recognized receivables and contract liabilities related to revenue from contracts with customers as follows:

Items	December 31, 2024	December 31, 2023
Notes and accounts receivables	$ 188,544	$ 239,427
Contract liabilities	$ 2,662	$ 124

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in contract assets and contract liabilities primarily came from the timing differences between satisfaction of performance obligations and customer payments.

Beginning balance of contract liabilities reclassified to revenue amounted to NT$124 thousand and NT$2,482 thousand for the years ended December 31, 2024 and 2023, respectively.

(20) Gain (loss) arising from initial recognition of agricultural produce

	Years Ended December 31	
Items	2024	2023
Gain (loss) arising from initial recognition of agricultural produce for the period	$ 21,200	$ 103,457

This account refers to gains (losses) arising from the fair value of agricultural products less the costs of sale.

(21) Summary statement of employee benefits, depreciation and amortization expenses by function:

	Year Ended December 31, 2024			
Nature	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits expense				
Payroll	$ 109,839	$ 45,864	$ -	$ 155,703
Labor and health insurance	9,683	4,371	-	14,054
Pension	3,777	1,754	-	5,531
Remuneration to directors	-	6,252	-	6,252
Other employee benefits expense	2,073	3,317	-	5,390
Depreciation	186,553	3,091	7,110	196,754
Amortization	-	2,003	-	2,003
Total	$ 311,925	$ 66,652	$ 7,110	$ 385,687

	Year Ended December 31, 2023			
Nature	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits expense				
Payroll	$ 84,207	$ 37,139	$ -	$ 121,346
Labor and health insurance	8,142	3,854	-	11,996
Pension	3,199	1,490	-	4,689
Remuneration to directors	-	4,663	-	4,663
Other employee benefits expense	1,686	4,882	-	6,568
Depreciation	156,003	3,938	3,310	163,251
Amortization	-	1,937	-	1,937
Total	$ 253,237	$ 57,903	$ 3,310	$ 314,450

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

A. Pursuant to the Company's Articles of Incorporation, if there is a remaining balance after deducting accumulated losses from the current year's profit, compensation to employees shall be between 4% and 10% of the remaining balance, while the remuneration to directors and supervisors shall be capped at 4% of the remaining balance. For the years ended December 31, 2024 and 2023, the Company accrued 4% of income before income tax as compensation to employees and 3% as remuneration to directors and supervisors. If there is a change in the amounts after the annual financial statements were approved, the differences are recorded as a change in the accounting estimate in the following year.

B. Information on 2024 and 2023 compensation to employees and remuneration to directors and supervisors, as resolved in the Board of Directors' meetings in February 2025 and 2024, respectively, as well as relevant amounts in the financial statements, was as follows:

	Years Ended December 31			
	2024		2023	
Items	Compensation to Employees	Remuneration to Directors	Compensation to Employees	Remuneration to Directors and Supervisors
Amounts resolved	$ 5,130	$ 3,847	$ 4,341	$ 3,256
Amounts recognized in financial statements	5,130	3,847	4,341	3,256
Difference	$ -	$ -	$ -	$ -

The aforementioned compensation to employees was distributed in the form of cash.

C. Information regarding the compensation to employees and remuneration to directors and supervisors approved by the Board of Directors is available on the "Market Observation Post System" of the Taiwan Stock Exchange.

(22) Employee retirement benefits

The Labor Pension Act, which has been in effect since July 1, 2005, is a defined contribution retirement plan. According to the Act, the employer's monthly pension contribution rate shall not be less than 6% of the employee's monthly wages. For the years ended December 31, 2024 and 2023, the Group's pension contributions under the Labor Pension Act were NT$5,531 thousand and NT$4,689 thousand, respectively.

(23) Interest income

	Years Ended December 31	
Items	2024	2023
Interest on bank deposits	$ 2,530	$ 1,328
Other interest income	85	39
Total	$ 2,615	$ 1,367

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(24) Other income

Items	Years Ended December 31 2024		2023	
Rental income	$	389	$	351
Other income				
Income from selling electricity		17,289		12,290
Others		4,380		1,068
Subtotal		21,669		13,358
Total	$	22,058	$	13,709

(25) Other gains and losses

Items	Years Ended December 31 2024		2023	
(Loss) gain on disposal of biological assets	$	(15,671)	$	(36,171)
(Loss) gain on disposal of property, plant and equipment		(2,602)		(32)
Impairment loss recognized on intangible assets		(4,739)		-
Depreciation of electricity distribution and sales equipment		(7,110)		(3,310)
Foreign exchange gain (loss), net		925		(550)
Others		(161)		(6)
Total	$	(29,358)	$	(40,069)

The Group recognized (loss) gain on disposal of biological assets due to sales or health reasons of NT$(15,671) thousand and NT$(36,171) thousand for the years ended December 31, 2024 and 2023, respectively.

(26) Finance costs

Items	Years Ended December 31 2024		2023	
Interest on bank loans	$	9,576	$	14,632
Interest on lease liabilities		685		116
Subtotal		10,261		14,748
Less: Amount eligible for capitalization		(920)		(887)
Finance costs	$	9,341	$	13,861

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

Items	Years Ended December 31 2024		2023	
Current income tax payable	$	23,667	$	28,857

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	Years Ended December 31 2024	2023
Income tax adjustments on prior years	$ 72	$ -
Tax levied on undistributed earnings	46	-
Origination and reversal of temporary differences	728	246
Income tax expense (benefit)	$ 24,513	$ 29,103

(Concluded)

(b) Income tax expense (benefit) associated with other comprehensive income: None.

B. Reconciliation of accounting profit and income tax expense is as follows:

Items	Years Ended December 31 2024	2023
Income before income tax	$ 120,230	$ 101,662
Income tax expense calculated at the statutory rate	$ 24,046	$ 20,332
Tax effects of adjusting items:		
Effects of adjustments in the calculation of taxable income		
Endowments	-	8,465
(Realized) unrealized gain on sales	(400)	400
(Realized) unrealized impairment loss	(451)	(451)
Loss (gain) on inventories including agricultural produce	22	51
(Realized) unrealized paid leaves	97	112
Others	973	282
Loss carryforward	(620)	(334)
Adjustments for prior years' tax	72	-
Tax levied on undistributed earnings	46	-
Net changes in deferred income tax	728	246
Income tax expense recognized in profit or loss	$ 24,513	$ 29,103

The Group is subject to a tax rate of 20% under the Income Tax Act of the Republic of China, while a 5% tax rate applies to undistributed earnings.

In July 2019, the amended Statute for Industrial Innovation announced by the President stipulated that from 2018 onwards, undistributed earnings used for the construction or acquisition of specific assets or technologies meeting a specified threshold may be deducted from the undistributed earnings. In calculating the tax on undistributed earnings, the Group deducted only the amount of capital expenditure that was actually invested.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Deferred income tax assets and liabilities arising from temporary differences, loss carryforwards and investment tax credits:

	Year Ended December 31, 2024			
Items	Beginning Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary difference				
Unrealized paid leaves	$ 583	$ 97	$ -	$ 680
Loss on investments accounted for using the equity method	2,635	(414)	-	2,221
Unrealized impairment loss	602	(451)	-	151
Others	365	18	-	383
Total	$ 4,185	$ (750)	$ -	$ 3,435
Deferred income tax liabilities				
Temporary difference				
Gain on inventories including agricultural produce	$ (292)	$ 22	$ -	$ (270)

	Year Ended December 31, 2023			
Items	Beginning Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary difference				
Unrealized paid leaves	$ 471	$ 112	$ -	$ 583
Loss on investments accounted for using the equity method	2,831	(196)	-	2,635
Unrealized impairment loss	1,053	(451)	-	602
Others	127	238	-	365
Total	$ 4,482	$ (297)	$ -	$ 4,185
Deferred income tax liabilities				
Temporary difference				
Gain on inventories including agricultural produce	$ (343)	$ 51	$ -	$ (292)

D. Items not recognized as deferred income tax assets:

Items	December 31, 2024	December 31, 2023
Temporary difference:		
Allowance for inventory write-downs	$ 7	$ 19
Provisions for employee benefit liabilities	62	52
Unused loss carryforward	9,291	9,909
Total	$ 9,360	$ 9,980

E. The Company's profit-seeking enterprise income tax returns were assessed and approved up to 2022.

(28) Basic earnings per share (EPS)

Items	Years Ended December 31 2024	2023
A. Basic EPS		
Net income (loss) attributable to owners of the parent	$ 94,800	$ 72,082
Weighted average number of shares outstanding for the current period (in thousands)	64,914	58,605
Basic EPS (after tax) (NT$)	$ 1.46	$ 1.23
B. Diluted EPS		
Net income (loss) attributable to owners of the parent	$ 94,800	$ 72,082
Weighted average number of shares outstanding for the current period (in thousands)	64,914	58,605
Weighted average number of shares after retrospective adjustment (in thousands)	64,914	58,605
Effect of employee compensation (Note)	135	232
Weighted average number of shares outstanding for the calculation of diluted EPS	65,049	58,837
Diluted EPS (after tax) (NT$)	$ 1.46	$ 1.23

Note If the Company may settle employee compensation in cash or shares, it shall assume the entire amount of the compensation will be settled in shares and include the resulting potential shares in the weighted average number of shares outstanding for the computation of diluted EPS, if the effect is dilutive. Such dilutive effect of the potential shares shall be included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

(29) Business combination

A. Acquisition of subsidiaries

For the year ended December 31, 2024: None.

For the year ended December 31, 2023:

Company Name	Date of Acquisition	Ownership Interest with Voting Rights/Acquisition Percentage (%)	Consideration Transferred
ChinNungHsing Eggs Co., Ltd. (Renamed Dawushan Ise Foods Co., Ltd.)	March 15, 2023	66.67%/66.67%	$ 1,000

(a) The purpose and method of the Group's acquisition of the aforementioned subsidiary are as follows:

i. ChinNungHsing Eggs Co., Ltd.:

The Group, in consideration of long-term business development and a diversified investment strategy, has acquired a 66.67% ownership interests in ChinNungHsing Eggs Co., Ltd., thereby gaining control. As a result, this entity has been consolidated into the Group's consolidated financial statements.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Assets acquired and liabilities assumed on the acquisition date

Items	ChinNungHsing Eggs Co., Ltd.
Current assets	
Cash and cash equivalent	$ 1,500
Net identifiable assets	$ 1,500

(c) Goodwill arising from the acquisition

Items	ChinNungHsing Eggs Co., Ltd.
Consideration transferred	$ 1,000
Add: Fair value of previously owned equity on the acquisition date	-
Non-controlling interests	500
Less: Fair value of net identifiable assets acquired	(1,500)
Goodwill arising from the acquisition	$ -

(d) From the acquisition date to December 31, 2023, revenue generated by the aforementioned subsidiary amounted to NT$0 thousand.

(e) If the business combination had occurred at the beginning of the year, the Group's pro forma revenue would be NT$1,148,829 thousand.

B. Changes in ownership interests in the subsidiary

(a) For the year ended December 31, 2024:

i. In August 2024, the subsidiary Dawushan Ise Foods Co., Ltd. conducted a cash capital increase. The Group subscribed to new shares from the cash capital increase, resulting in an increase in ownership percentage from 53.50% to 60.00%. As the Group did not acquire the shares in proportion to its original shareholding ratio, the changes in the Group's ownership interests in the subsidiary are as follows:

Items	Dawushan Ise Foods Co., Ltd.
Subscription to a cash capital increase	$ (86,000)
Increase in equity interest in the subsidiary	85,996
Changes in ownership interests in the subsidiary	$ (4)

(b) For the year ended December 31, 2023:

i. In April 2023, the subsidiary ChinNungHsing Eggs Co., Ltd. conducted a cash capital increase and a property capital increase. The Group subscribed to new shares from the cash capital increase, resulting in a decrease in ownership percentage from 66.67% to 53.50%. Since the aforementioned transaction did not change the Group's control over the subsidiary, it was treated as an equity transaction by the Group:

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	ChinNungHsing Eggs Co., Ltd.
Subscription to a cash capital increase	$ (52,500)
Increase in equity interest in the subsidiary	52,510
Changes in ownership interests in the subsidiary	$ 10

7. Related Party Transactions

(1) Parent company and the ultimate controller

The Company's parent company is Kuo Hsing Poultry & Livestock Feeds Co., Ltd. As of December 31, 2024 and 2023, it held 41.93% and 47.18% of the Company's shares, respectively.

(2) Names and relationships of related parties

Name	Relationship
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent company
Fu Che Frozen Food Co., Ltd.	Sister company
Feng-Chun Lin	Other related party

(3) Material transactions with related parties

A. Purchases

	Years Ended December 31	
Type/Name of Related Party	2024	2023
Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 296,527	$ 352,998
Other related party	16,051	99,047
Total	$ 312,578	$ 452,045

The Group's purchase prices from related parties are mutually agreed upon by both parties. The transaction prices and payment terms are not significantly different from those of general suppliers.

B. Sales

	Years Ended December 31	
Type/Name of Related Party	2024	2023
Sister company	$ 20,563	$ 13,453

The Group's selling prices to related parties are mutually agreed upon by both parties. The transaction prices and collection terms are not significantly different from those of general customers.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Receivables from related parties (excluding loans to related parties)

Financial Statement Account	Type/Name of Related Party	December 31, 2024	December 31, 2023
Accounts receivable	Sister company	$ 4,051	$ 5,546
Other receivables	Parent company	$ -	$ 1,024

D. Payables to related parties (excluding loans from related parties)

Financial Statement Account	Type/Name of Related Party	December 31, 2024	December 31, 2023
Accounts payable	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 39,670	$ 66,429
	Other related party	-	9,314
	Total	$ 39,670	$ 75,743
Other payables	Parent company	$ 405	$ -
	Sister company	-	576
	Total	$ 405	$ 576

E. Property transaction

(a) Acquisition of biological assets:

For the year ended December 31, 2024:

Type/Name of Related Party	Transaction Details	Transaction Amount
Other related party - Feng-Chun Lin	Bearer biological assets	$ 4,061

As stated in Note 6(8), the Group leased livestock housing and equipment from the parent company and acquired biological assets of NT$4,061 thousand from other related party - Feng-Chun Lin. As of December 31, 2024, the amount has been paid in full.

For the year ended December 31, 2023: None.

F. Lease agreements

(a) Acquisition of right-of-use assets:

		Years Ended December 31	
Item	Type of Related Party	2024	2023
Acquisition of right-of-use assets	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 38,885	$ -

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Lease liabilities:

Item	Type of Related Party	December 31, 2024	December 31, 2023
Lease liabilities	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 31,047	$ -

(c) Various expenses:

		Years Ended December 31	
Item	Type of Related Party	2024	2023
Interest expense	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 610	$ -

The lease terms stated above conform to the contracts. Lease payments are made on a monthly or annual basis.

G. Others

(a) Various expenses

	Years Ended December 31	
Type of Related Party	2024	2023
Parent company	$ 7,919	$ -
Sister company	3,561	3,505
Other related parties	26	-
Total	$ 11,506	$ 3,505

These were mainly outsourcing fees and miscellaneous expenses.

(4) Compensation to key management

	Years Ended December 31	
Items	2024	2023
Payroll and other short-term employee benefits	$ 20,923	$ 14,380
Post-employment benefits	442	406
Total	$ 21,365	$ 14,786

8. Pledged Assets

The following assets were pledged as collateral for loans:

Items	December 31, 2024	December 31, 2023
Other financial assets - current	$ -	$ 428
Land	254,111	200,102
Buildings	573,825	466,553
Machinery and equipment	211,803	233,362
Total	$ 1,039,739	$ 900,445

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) As of December 31, 2024, material capital expenditures under contract but not yet recorded amounted to approximately NT$335,575 thousand (tax excluded).

(2) As of December 31, 2024 and 2023, the guarantee notes provided to banks by the Group for loans amounted to NT$91,000 thousand and NT$146,000 thousand, respectively.

(3) As of December 31, 2024, unused letters of credit amounted to JPY280,000 thousand.

10. Significant Disaster Loss

None.

11. Significant Subsequent Events

As stated in Note 6(9), to expand production capacity, the Group signed a contract in September 2024 to purchase livestock farmland, housing and equipment for a total of NT$90,000 thousand. In October 2024, the parties signed a supplementary agreement to amend the transaction details and reduce the purchase price to NT$88,000 thousand. Ownership transfer of the said property was completed on February 6, 2025. However, since the land is designated for agricultural and pastoral use and subject to legal restrictions, it could not be registered under the Group's name. Instead, the land was temporarily registered under individuals, totaling NT$49,000 thousand.

12. Others

(1) Capital risk management

As the Group needs to maintain sufficient capital to support its expansion and upgrade of facilities and equipment, its capital management focuses on ensuring the availability of financial resources and operational plans to meet the demands for the next 12 months, including working capital, capital expenditures, research and development expenses, and debt repayments.

(2) Financial instruments

A. Financial risks of financial instruments

Financial risk management policies

The Group's daily operations are affected by various financial risks, including market risk (such as exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To mitigate these financial risks, the Group is committed to identifying, assessing, and avoiding market uncertainties in order to reduce the potential adverse impacts of market fluctuations on the Company's financial performance.

Important financial activities of the Group are reviewed by the Board of Directors in accordance with relevant rules and internal control systems. During the execution of financial plans, the Group must adhere strictly to the financial operating procedures related to the overall financial risk management and the division of responsibilities.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Nature and extent of significant financial risks

(a) Market risk

i. Exchange rate risk

(i) Exchange rate exposure and sensitivity analysis

			December 31, 2024			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Book Value (NT$)	Changes	Impact on Profit and Loss	Impact on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
JPY:NTD	7,615	0.210	1,599	Appreciate by 1%	16	-

			December 31, 2023			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Book Value (NT$)	Changes	Impact on Profit and Loss	Impact on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
JPY:NTD	216,350	0.217	46,991	Appreciate by 1%	470	-

If the New Taiwan dollar strengthens against the aforementioned currency while all other variables remain constant, there would be an equal but opposite impact on the dollar amounts as of December 31, 2024 and 2023.

(ii) Foreign exchange gains (losses), including both realized and unrealized, of monetary items with significant influence due to exchange rate fluctuations amounted to NT$925 thousand and NT$(550) thousand for the years ended December 31, 2024 and 2023, respectively.

ii. Price risk

The Group did not invest in domestic or international marketable securities and was therefore not exposed to price risk from fluctuations in securities prices.

iii. Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risks at the end of the reporting period were as follows:

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	Carrying Amount December 31, 2024	Carrying Amount December 31, 2023
Fair value interest rate risk:		
Financial assets	$ -	$ 100,000
Financial liabilities	(33,611)	(5,578)
Net	$ (33,611)	$ 94,422
Cash flows interest rate risk:		
Financial assets	$ 256,280	$ 262,194
Financial liabilities	(324,526)	(688,990)
Net	$ (68,246)	$ (426,796)

(i) Sensitivity analysis of fair value interest rate risk:

The Group has not classified any fixed-rate financial assets or liabilities as financial assets at fair value through profit or loss or through other comprehensive income, nor has it designated any derivatives (such as interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore, changes in interest rates as of the reporting date would not affect profit or loss or other comprehensive income.

(ii) Sensitivity analysis of cash flows interest rate risk:

The Group's variable-rate financial instruments are floating-rate assets (liabilities); therefore, changes in market interest rates would lead to changes in the effective interest rates and consequently fluctuations in future cash flows. An 1% increase in market interest rates would result in an increase (decrease) of NT$(682) thousand and NT$(4,268) thousand in net income for the years ended December 31, 2024 and 2023, respectively.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Group due to a counterparty's failure to meet contractual obligations. The Group's credit risk primarily arises from receivables generated by operating activities and bank deposits resulting from investing activities. Credit risk related to operations and financial credit risk are managed separately.

Credit risk related to operations

To maintain the quality of accounts receivable, the Group has established procedures for managing credit risk related to operations.

The risk assessment of individual customers takes into account various factors that may affect their ability to make payments, including their financial condition, the Group's internal credit ratings, historical transaction records, and current economic conditions.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial credit risk

The credit risk of bank deposits is assessed and monitored by the Group's finance department. Since the Group's counterparties and contract parties are reputable banks and financial institutions with investment-grade ratings or above, there are no significant concerns about their ability to fulfill their obligations, and therefore, there is no significant credit risk.

i. Credit concentration risk

As of December 31, 2024 and 2023, the top ten ending balances of accounts receivable accounted for 88% and 64% of the Group's overall accounts receivable balances, respectively. The credit concentration risk of the remaining accounts receivables was relatively insignificant.

ii. Measurement of ECLs

(i) Accounts receivable: The simplified approach is adopted. Please refer to Note 6(3) for details.

(ii) Criteria for determining whether credit risk has significantly increased: None.

(iii) Use of collateral and other credit enhancements to mitigate credit risk of financial assets: None.

(c) Liquidity risk

i. Overview:

The Group's objective in managing liquidity risk is to maintain sufficient cash and cash equivalents, as well as adequate bank financing facilities, to ensure ample financial flexibility for operations.

ii. Maturity analysis of financial liabilities:

The table below summarizes the Group's financial liabilities with agreed repayment periods by their maturity dates and undiscounted amounts:

	December 31, 2024						
Non-derivative financial liabilities	Within 6 Months	7 to 12 Months	1 to 2 Years	2 to 5 Years	Over 5 Years	Contractual Cash Flows	Carrying Amount
Notes payable	$ 100	$ -	$ -	$ -	$ -	$ 100	$ 100
Accounts payable (including related parties)	103,858	-	-	-	-	103,858	103,858
Other payables	83,374	6,412	-	-	-	89,786	89,786
Lease liabilities (including current portion)	5,847	5,761	11,396	11,827	-	34,831	33,611
Long-term loans (including current portion)	10,580	10,601	80,392	65,807	157,146	324,526	324,526
Total	$ 203,759	$ 22,774	$ 91,788	$ 77,634	$ 157,146	$ 553,101	$ 551,881

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	Over 20 Years	Undiscounted Lease Payments
Lease liabilities	$ 11,608	$ 23,223	$ -	$ -	$ -	$ -	$ 34,831

Non-derivative financial liabilities	December 31, 2023 Within 6 Months	7 to 12 Months	1 to 2 Years	2 to 5 Years	Over 5 Years	Contractual Cash Flows	Carrying Amount
Short-term loans	$ 66,000	$ -	$ -	$ -	$ -	$ 66,000	$ 66,000
Notes payable	100	-	-	-	-	100	100
Accounts payable (including related parties)	110,620	-	-	-	-	110,620	110,620
Other payables	73,381	7,597	-	-	-	80,978	80,978
Lease liabilities (including current portion)	1,623	1,158	1,598	1,383	-	5,762	5,578
Long-term loans (including current portion)	49,708	48,882	98,590	190,925	234,885	622,990	622,990
Total	$ 301,432	$ 57,637	$ 100,188	$ 192,308	$ 234,885	$ 886,450	$ 886,266

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	Over 20 Years	Undiscounted Lease Payments
Lease liabilities	$ 2,781	$ 2,981	$ -	$ -	$ -	$ -	$ 5,762

The Group does not expect the timing of cash flows in the maturity analysis to occur significantly earlier or the actual amounts to differ significantly.

B. Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 257,250	$ 263,074
Notes and accounts receivables (including related parties)	188,544	239,427
Other receivables (including related parties)	1,342	2,875
Other financial assets - current	-	100,428
Refundable deposits	1,438	2,528
Financial liabilities		
Financial liabilities at amortized cost		
Short-term loans	-	66,000
Notes and accounts payables (including related parties)	103,958	110,720

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	December 31, 2024	December 31, 2023
Other payables (including related parties)	$ 89,786	$ 80,978
Long-term loans (including current portion)	324,526	622,990
Lease liabilities (including current portion)	33,611	5,578

(Concluded)

(3) Fair value information

A. Please refer to Note 12(3)C for information on the fair value of financial assets and financial liabilities not measured at fair value and Note 6(5) for fair value of biological assets.

B. The three levels of fair value hierarchy

The Group did not have financial instruments measured at fair value and investment property.

C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, refundable deposits, short-term loans, payables, lease liabilities (including current and non-current), and long-term loans (including current portion), are reasonable approximations of their fair values.

D. Fair value hierarchy information: None.

E. Fair value valuation techniques for instruments measured at fair value: None.

(4) Transfer of financial assets: None.

(5) Offsetting of financial assets and financial liabilities: None.

13. Reclassification of Accounts

(1) In order to align with the presentation format of the financial statements for the year ended December 31, 2024, certain accounting items from the year 2023 have been reclassified as follows:

Accounting Items	Before Reclassification	Reclassification Adjustment	After Reclassification
Operating expenses			
General and administrative expenses	$ 57,500	$ (3,310)	$ 54,190
Non-operating income and expenses			
Other gains and losses	(36,759)	(3,310)	(40,069)

14. Additional Disclosures

(1) Information on significant transactions:

A. Financing provided to others: None.

B. Endorsement/guarantee provided: Table 1.

C. Marketable securities held at the end of period: None.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital: Table 2.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital: Table 3.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital: None.

I. Derivative financial instrument transactions: None.

J. Intercompany relationships and significant intercompany transactions: Table 4.

(2) Information on investees: Table 5.

(3) Information on investments in mainland China: None.

(4) Information on major shareholders: List all shareholders with an ownership stake of 5% or more, including each shareholder’s name, the number of shares owned, and their percentages of ownership: Table 6.

Table 1

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Endorsement/Guarantee Provided
As of December 31, 2024

(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given to Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent to Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries to Parent	Endorsement/ Guarantee Given to Companies in Mainland China
		Name	Relationship										
0	Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	Subsidiary of the Company	$ 836,738	$ 30,000	-	-	-	-	$ 836,738	Y	N	N

Note: The aggregate amount of endorsement/guarantee provided is limited to 49% of the Company’s net worth. The limit on endorsement/guarantee provided for a single party is limited to 49% of the Company’s net worth.

Table 2

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Acquisition of Individual Real Estate with Amount of at Least NT$300 Million or 20% of the Paid-in Capital
For the Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Buyer	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition and Status of Use	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Dawushan Ise Foods Co., Ltd.	Plant construction project	2024.6.20	$ 322,350 (tax included)	Based on contractual terms	TungSheng Construction Co., Ltd.	Unrelated party	-	-	-	-	Price comparison and negotiation	For production	None

Note: The paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or a par value other than NT$10 per share, the transaction amount threshold of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company as presented in the balance sheet.

Table 3

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Related Party Transactions with Purchase or Sales Amount of at Least NT$100 Million or 20% of the Paid-in Capital
For the Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Percentage to Total Purchases (Sales)	Payment/ Collection Terms	Unit Price	Payment/ Collection Terms	Ending Balance	Percentage to Total Notes/ Accounts Receivable (Payable)	
Dawushan Farm Technology Co., Ltd.	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent company	Purchase	$ 296,527	48.88%	1 to 2 months	-	-	$ 39,670	33.20%	Accounts payable

Table 4

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the Year Ended December 31, 2024

Individual transactions under NT$10 million (inclusive) were not disclosed. In addition, transactions were disclosed from the asset and income perspectives. The corresponding transactions were not disclosed separately.

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
0	Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	1	Sales revenue	$ 64,954	Collections in 1 to 2 months after shipment	5.33%
				Accounts receivable	32,704		1.37%
1	Tai Da Eggs Technology Co., Ltd.	Dawushan Farm Technology Co., Ltd.	2	Outsourcing revenue	26,411	Collections in 1 to 2 months after shipment	2.17%
				Accounts receivable	16,041		0.67%

Note 1: Transaction information between the parent company and its subsidiaries shall be disclosed in the No. column by codes below:
(1) The parent company is coded “0.”
(2) The subsidiaries are coded from “1” in the order presented in the table above.

Note 2: Relationships are categorized into the following three types. Please specify the type.
(1) From the parent company to a subsidiary.
(2) From a subsidiary to the parent company.
(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated net revenue or total assets, it is computed based on the ending balance to the consolidated total assets for balance sheet items; and based on the accumulated amount to the consolidated net revenue for profit or loss items.

Note 4: The aforementioned transactions between the parent company and subsidiaries were eliminated.

Table 5

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Information on Investees
As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Investor	Investee	Business Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Share of Profit/Loss	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Ownership Percentage	Carrying Amount			
Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	Taoyuan City	Manufacturing and trading of processed egg products	$ 37,380	$ 37,380	3,761	68.39%	$ 25,521	$ 3,273	$ 2,238	
	JihShang Livestock Products Co., Ltd.	Pingtung County	Distribution of processed products	1,000	1,000	100	100.00%	2,189	40	40	
	Mountain River Livestock Products Co., Ltd.	Pingtung County	Distribution of processed products	1,000	1,000	100	100.00%	971	(5)	(5)	
	Dawushan Ise Foods Co., Ltd.	Changhua County	Trading of egg products	139,500	53,500	13,950	60.00%	139,339	(283)	(165)	
	Total			178,880	92,880			168,020	3,025	2,108	

Table 6

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Information on Major Shareholders
As of December 31, 2024

Name of Major Shareholders	No. of Shares Owned	Percentage of Ownership
HsiangCheng Investment Co., Ltd.	18,222,293	26.66%
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	10,440,316	15.27%
TaShu Investment Co., Ltd.	4,540,780	6.64%
Cathay Sustainability Private Equity Fund Limited Partnership	4,396,363	6.43%

Note: The information in this table is based on data provided by the Taiwan Depository & Clearing Corporation (TDCC) as of the last business day of each quarter. It includes shareholders holding 5% or more of the Company's common and preferred stocks that have been fully dematerialized and registered (including treasury stocks). The share capital recorded in the Company's financial report may differ from the actual number of dematerialized and registered shares due to differences in calculation methods.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

15. Segment Information

(1) General information

The Group's management has identified reportable segments based on the information used by the chief operating decision makers in making decisions. The Group's chief operating decision makers divide operating units by business units (BUs) into the following reportable segments:

A. Dawushan BU: Primarily engages in the production and wholesale of poultry eggs, as well as the manufacturing and trading of organic fertilizers.

B. Tai Da BU: Primarily engages in the processing and manufacturing of egg products.

C. Others: Distribution of processed products.

(2) Evaluation of segment information

The Group's chief operating decision makers evaluate the performance of the operating segments based on revenue and income (loss) before income tax.

(3) Financial information of segments

For the year ended December 31, 2024

Items	Dawushan BU	Tai Da BU	Others	Adjustment and Elimination	Total
Revenue					
External customers	$ 1,118,975	$ 98,406	$ 1,463	$ -	$ 1,218,844
Inter-segment	66,232	26,411	-	(92,643)	-
Total revenue	$ 1,185,207	$ 124,817	$ 1,463	$ (92,643)	$ 1,218,844
Segment income (loss)	$ 130,942	$ 3,271	$ (471)	$ 514	$ 134,256
Non-operating income and expenses					(14,026)
Income before income tax					120,230
Income tax (expense) benefit					(24,513)
Net income					$ 95,717
Segment assets					$ 2,379,957
Segment liabilities					$ 567,637

For the year ended December 31, 2023

Items	Dawushan BU	Tai Da BU	Others	Adjustment and Elimination	Total
Revenue					
External customers	$ 1,049,658	$ 88,189	$ 10,982	$ -	$ 1,148,829
Inter-segment	77,307	23,742	6	(101,055)	-
Total revenue	$ 1,126,965	$ 111,931	$ 10,988	$ (101,055)	$ 1,148,829
Segment income (loss)	$ 137,543	$ 1,392	$ 1,066	$ 515	$ 140,516
Non-operating income and expenses					(38,854)

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Items	Dawushan BU	Tai Da BU	Others	Adjustment and Elimination	Total
Income before income tax					$ 101,662
Income tax (expense) benefit					(29,103)
Net income					$ 72,559
Segment assets					$ 2,262,620
Segment liabilities					$ 918,551

(Concluded)

(4) Information by product and service:

The Group’s revenue from major products and services of continuing operations is divided by operating segments. For more details, please refer to the revenue disclosure of segments.

(5) Information by region:

The Group does not have foreign operations.

(6) Information by major customer:

Items	Year Ended December 31, 2024 Amount	% to Net Sales
Company A	$ 299,333	24.56%
Company B	210,917	17.30%
Company C	172,565	14.16%
Total	$ 682,815	

Items	Year Ended December 31, 2023 Amount	% to Net Sales
Company A	$ 298,258	25.96%
Company C	171,232	14.90%
Company B	148,934	12.96%
Total	$ 618,424	

Appendix B:

2024 Individual Financial Report and Auditor's Report

DAWUSHAN FARM TECHNOLOGY CO., LTD.

Parent Company Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

Address: No. 68-30, Pingshan Rd., Wanlong Village, Xinpi Township, Pingtung County
Telephone: 886-8-787-1888

Notice to Readers

The English parent company only financial statements are not reviewed nor audited by independent auditors. They have been translated into English from the original Chinese version which has been audited by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Independent Auditors' Report

The Board of Directors and Shareholders

Dawushan Farm Technology Co., Ltd.

Audit opinion

We have audited the parent company only balance sheets of Dawushan Farm Technology Co., Ltd. (hereinafter referred to as the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to parent company only financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are ones that were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall parent company only financial statements and in forming the audit opinion. We will not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Notes 4(18), 5(1)A and 6(20) to the parent company only financial statements for accounting policies associated with revenue recognition.

Explanations of key audit matters:

The characteristics of the industry in which the Company operates, combined with regulatory requirements for the Company to disclose its revenue on a monthly basis, increase the risk associated with the timing of revenue recognition.

Audit procedures to address this issue:

The main audit procedures performed by us for the above key audit matters include:

- To assess whether the accounting policies and methods for revenue recognition applied by the audited entity are appropriate.
- To test the audited entity's controls related to revenue recognition and the transaction cycle from order to collection.
- To perform detailed substantive testing of sales revenue and sample collection from subsequent periods or original documentation.

Responsibilities of management and those charged with governance for the parent company only financial statements

The responsibilities of management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing the ability of the Company in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease its operations, or has no realistic alternative but to do so.

Those charged with governance of the Company (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have exercised professional judgment and professional skepticism when carrying out auditing work according to the auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.

4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in the Company ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Company.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

Jen-Yao Hsieh and Ling-Wen Huang

Crowe (TW) CPAs

February 18, 2025

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
Current assets					
Cash and cash equivalents	6(1)	$ 149,757	7	$ 198,580	9
Notes receivable, net	6(2)	714	-	3,939	-
Accounts receivable, net	6(3)	170,800	7	208,929	9
Accounts receivable - related parties, net	7	36,755	2	49,719	2
Other receivables		1,471	-	2,961	-
Inventories	6(4)	31,186	1	20,172	1
Biological assets - current	6(5)	11,429	1	13,596	1
Prepayments	6(6)	15,109	1	9,266	-
Other financial assets - current	6(7)	-	-	100,428	5
Total current assets		417,221	19	607,590	27
Non-current assets					
Investments accounted for using the equity method	6(8)	168,020	8	77,914	4
Property, plant and equipment	6(9)	1,433,802	65	1,392,366	64
Right-of-use assets	6(10)	31,337	1	2,119	-
Intangible assets	6(11)	48,374	2	54,765	2
Biological assets - non-current	6(5)	119,402	5	74,773	3
Deferred income tax assets	6(28)	3,435	-	4,185	-
Refundable deposits		1,218	-	2,398	-
Total non-current assets		1,805,588	81	1,608,520	73
Total assets		$ 2,222,809	100	$ 2,216,110	100

(Continued)

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
Liabilities and Equity	Note	Amount	%	Amount	%
Current liabilities					
Short-term loans		$ -	-	$ 66,000	3
Contract liabilities - current	6(20)	2,662	-	124	-
Notes payable		100	-	100	-
Accounts payable		63,659	3	34,205	2
Accounts payable - related parties	7	55,717	3	98,921	5
Other payables	6(13)	83,238	4	73,115	3
Current income tax liabilities		9,116	-	28,510	1
Provisions - current	6(14)	3,400	-	2,915	-
Lease liabilities - current	6(10)	9,915	-	1,579	-
Current portion of long-term loans	6(15)	21,181	1	98,590	4
Total current liabilities		248,988	11	404,059	18
Non-current liabilities					
Long-term loans	6(15)	244,345	11	524,400	24
Deferred income tax liabilities	6(28)	270	-	292	-
Lease liabilities - non-current	6(10)	21,577	1	560	-
Total non-current liabilities		266,192	12	525,252	24
Total liabilities		515,180	23	929,311	42
Equity					
Share capital	6				
Common stocks		683,450	32	607,500	28
Capital surplus	6(17)	585,286	26	230,350	10
Retained earnings	6(18)				
Legal reserve		54,616	2	47,408	2
Unappropriated earnings		420,788	19	401,541	18
Treasury stocks	6(19)	(36,511)	(2)	-	-
Total equity		1,707,629	77	1,286,799	58
Total liabilities and equity		$ 2,222,809	100	$ 2,216,110	100

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

(Concluded)

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		2024		2023	
	Notes	Amount	%	Amount	%
Operating revenue	6(20)	$ 1,185,207	100	$ 1,126,965	100
Operating costs	6(4)	(884,277)	(75)	(939,828)	(83)
Gain (loss) arising from initial recognition of agricultural produce	6(21)	21,200	2	103,457	9
Gross profit (loss)		322,130	27	290,594	26
Unrealized gain (loss) on sales		-	-	(2,002)	-
Realized gain (loss) on sales		2,002	-	-	-
Operating expenses					
Sales and marketing expenses		(115,754)	(10)	(86,240)	(8)
General and administrative expenses		(67,064)	(5)	(51,279)	(5)
Research and development expenses		(10,253)	(1)	(13,528)	(1)
Expected credit gain (loss)	6(3)	(119)	-	(2)	-
Total operating expenses		(193,190)	(16)	(151,049)	(14)
Operating income (loss)		130,942	11	137,543	12
Non-operating income and expenses					
Interest income	6(24)	2,215	-	1,077	-
Other income	6(25)	22,438	2	14,205	1
Other gains and losses	6(26)	(29,153)	(2)	(40,120)	(3)
Finance costs	6(27)	(9,289)	(1)	(13,784)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method		2,108	-	2,009	-
Total non-operating income and expenses		(11,681)	(1)	(36,613)	(3)
Income (loss) before income tax		119,261	10	100,930	9
Income tax (expense) benefit	6(28)	(24,461)	(2)	(28,848)	(3)
Net income (loss)		94,800	8	72,082	6
Total comprehensive income		$ 94,800	8	$ 72,082	6
Earnings per share (NT$)					
Earnings per share - basic	6(29)	$ 1.46		$ 1.23	
Earnings per share - diluted	6(29)	$ 1.46		$ 1.23	

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

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

			Retained Earnings				
	Common Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Treasury Stocks	Total Equity
Balance as of January 1, 2023	$ 550,000	$ 50,000	$ 31,412	$ -	$ 427,955	$ -	$ 1,059,367
Appropriation and distribution of earnings:							
Legal reserve	-	-	15,996	-	(15,996)	-	-
Special reserve	-	-	-	42,325	(42,325)	-	-
Cash dividends for common stocks	-	-	-	-	(55,000)	-	(55,000)
Stock dividends for common stocks	27,500	-	-	-	(27,500)	-	-
Reversal of special reserve	-	-	-	(42,325)	42,325	-	-
Net income (loss) for the year ended December 31, 2023	-	-	-	-	72,082	-	72,082
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	72,082	-	72,082
Issuance of common stocks for cash	30,000	138,009	-	-	-	-	168,009
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10	-	-	-	-	10
Share-based payment transaction	-	6	-	-	-	-	6
Others	-	42,325	-	-	-	-	42,325
Balance as of December 31, 2023	607,500	230,350	47,408	-	401,541	-	1,286,799
Appropriation and distribution of earnings:							
Legal reserve	-	-	7,208	-	(7,208)	-	-
Cash dividends for common stocks	-	-	-	-	(68,345)	-	(68,345)
Net income (loss) for the year ended December 31, 2024	-	-	-	-	94,800	-	94,800
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	94,800	-	94,800
Issuance of common stocks for cash	75,950	354,940	-	-	-	-	430,890
Treasury stocks repurchased	-	-	-	-	-	(36,511)	(36,511)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(4)	-	-	-	-	(4)
Balance as of December 31, 2024	$ 683,450	$ 585,286	$ 54,616	$ -	$ 420,788	$ (36,511)	$ 1,707,629

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

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Income (loss) before income tax	$ 119,261	$ 100,930
Adjustments		
Non-cash income and expense items		
Depreciation	189,911	156,473
Amortization	2,003	1,937
Expected credit loss (gain)	119	2
Interest expense	9,289	13,784
Interest income	(2,215)	(1,077)
Compensation costs of share-based payment	-	15
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	(2,108)	(2,009)
Loss (gain) on disposal of property, plant and equipment	2,602	32
Loss (gain) on disposal of biological assets	15,671	36,171
Impairment loss recognized on non-financial assets	4,739	-
Unrealized gain (loss) on sales	-	2,002
Realized loss (gain) on sales	(2,002)	-
Total non-cash income and expense items	218,009	207,330
Changes in operating assets and liabilities		
Net changes in operating assets		
(Increase) decrease in notes receivable	3,225	2,813
(Increase) decrease in accounts receivable	50,974	(13,356)
(Increase) decrease in other receivables	1,451	(2,286)
(Increase) decrease in inventories	(11,014)	10,187
(Increase) decrease in biological assets - current	(114,307)	(63,493)
(Increase) decrease in prepayments	(5,843)	(547)
Total net changes in operating assets	(75,514)	(66,682)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	2,538	(2,358)
Increase (decrease) in notes payable	-	(221)
Increase (decrease) in accounts payable	(13,750)	2,746
Increase (decrease) in other payables	11,717	323
Increase (decrease) in provisions	485	562
Total net changes in operating liabilities	990	1,052
Total net changes in operating assets and liabilities	(74,524)	(65,630)
Total adjustments	143,485	141,700
Cash generated from (used in) operations	262,746	242,630
Interest received	2,254	1,038
Interest paid	(9,633)	(13,612)
Income tax (paid) refunded	(43,127)	(40,800)
Net cash generated by (used in) operating activities	212,240	189,256

(Continued)

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities		
Acquisition of investments accounted for using the equity method	$ (86,000)	$ (53,500)
Acquisition of biological assets - non-current	(42,501)	(31,300)
Disposal of biological assets - non-current	6,542	3,645
Acquisition of property, plant and equipment	(133,399)	(129,330)
Decrease in refundable deposits	1,180	204
Acquisition of intangible assets	(351)	-
Increase in other financial assets	-	(100,428)
Decrease in other financial assets	100,428	-
Net cash generated by (used in) investing activities	(154,101)	(310,709)
Cash flows from financing activities		
Increase in short-term loans	-	60,000
Decrease in short-term loans	(66,000)	-
Proceeds from long-term loans	-	36,300
Repayment of long-term loans	(357,464)	(72,541)
Repayment of lease principal	(9,532)	(1,921)
Distribution of cash dividends	(68,345)	(55,000)
Issuance of common stocks for cash	430,890	168,000
Cost of treasury stocks repurchased	(36,511)	-
Other financing activities	-	42,325
Net cash generated by (used in) financing activities	(106,962)	177,163
Net increase (decrease) in cash and cash equivalents	(48,823)	55,710
Cash and cash equivalents at beginning of period	198,580	142,870
Cash and cash equivalents at end of period	$ 149,757	$ 198,580

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

(Concluded)

DAWUSHAN FARM TECHNOLOGY CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History and Organization

(1) Dawushan Farm Technology Co., Ltd. (the "Company") was approved for incorporation on January 4, 2007. The Company was originally registered under the name Dawushan Livestock Products Co., Ltd. It was renamed Mountain River Livestock Products Co., Ltd. in March 2015 and Dawushan Farm Technology Co., Ltd. in January 2022. The Company primarily engages in the production and wholesale of poultry eggs as well as the manufacturing and trading of organic fertilizers.

The Taipei Exchange approved the Company's shares for trading on the Emerging Stock Board on June 21, 2023. The shares were later listed on the Taiwan Stock Exchange on June 13, 2024, under the stock code 6952.

(2) The parent company only financial statements were presented in the Company's functional currency, i.e., the New Taiwan dollar.

2. Date and Procedures of Authorization of Financial Statements

The parent company only financial statements for the years ended December 31, 2024 and 2023 were approved and authorized for issue in the Board of Directors' meeting on February 18, 2025.

3. Newly Issued or Revised Standards and Interpretations

(1) Impact of adopting International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The table below summarized new, revised or amended standards and interpretations of IFRSs endorsed by the FSC to take effect for annual periods beginning on January 1, 2024:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note)

Note: The amendments take effect for annual periods beginning on January 1, 2024.

A. Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

The amendments clarify that for sale and leaseback transactions, if the transfer of the asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the liability arising from the leaseback shall be accounted for by the seller-lessee in accordance with the lease liability provisions of IFRS 16. However, for contracts including variable payments that do not depend on an index or rate, the seller-lessee shall determine and recognize lease liabilities arising from such variable payments in a way that it does not recognize gains or losses related to the right of use retained. The difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability is recognized in profit or loss.

B. Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that when determining whether to classify a liability as non-current, an entity shall assess whether it has the right to defer settlement of the liability for at least 12 months from the reporting date. If such a right exists at the reporting date, the liability shall be classified as non-current regardless of whether the entity is expected to exercise the right. If the entity shall comply with specified conditions in order to have the right to defer settlement, it shall have satisfied those conditions by the end of the reporting period before it can classify the liability as non-current, even if such compliance is not tested by creditors until a later date.

In addition, the amendments stipulate that, for the purpose of liability classification, the said settlement refers to the transfer of cash, other economic resources or the Company's equity instruments to the counterparty to discharge the liability. However, if the terms of a liability allow for settlement through the transfer of the Company's own equity instruments at the option of the counterparty, and if such an option is recognized separately under equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

C. Amendments to IAS 1 "Non-current Liabilities with Covenants"

The amendments further clarify that only contractual terms that must be complied with before the end of the reporting period would affect the liability classification. Contractual terms that must be complied with within 12 months after the reporting period do not affect the liability classification. However, if a liability is classified as non-current at the end of the reporting period but may need to be settled within 12 months after the reporting period due to non-compliance with contractual terms, the entity shall disclose relevant facts and circumstances in the notes to the parent company only financial statements.

D. Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

A supplier finance arrangement is where one or more finance providers offer to pay amounts an entity owes its suppliers and the entity agrees to pay the finance providers on or after the payment dates agreed between the entity and its suppliers. Amendments to IAS 7 stipulate that the entity shall disclose supplier finance arrangement information for users of financial statements to assess the impact of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. Amendments to IFRS 7 are to include in the application guidance that, when disclosing how to manage the liquidity risk of financial liabilities, the entity may consider whether it has accessed, or has access to, facilities under supplier finance arrangements and whether such arrangements may result in a concentration of liquidity risk.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Upon assessment, the Company determined that the adoption of aforementioned standards and interpretations did not have material impact on the Company's financial position and financial performance.

(2) Impact of not yet adopting new, revised or amended IFRSs endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRSs endorsed by the FSC to take effect for annual periods beginning on January 1, 2025:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 21 "Lack of Exchangeability"	January 1, 2025

A. Amendments to IFRS 21 "Lack of Exchangeability"

The amendments define exchangeability and provide application guidance on how an entity would determine the spot rate at the measurement date when a currency is not exchangeable. The amendments also require an entity to disclose more useful information when a currency is not exchangeable into another currency.

Upon assessment, the Company determined that the adoption of aforementioned standards and interpretations did not have material impact on the Company's financial position and financial performance.

(3) Impact of IFRSs issued by the IASB but not yet endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRSs issued by the IASB but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	Yet to be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Volume 11	January 1, 2026

A. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments include:

(a) Clarifying the recognition and derecognition dates of some financial assets and liabilities, and adding the provision that an entity is permitted to deem a financial liability (or a part of a financial liability) that is settled in cash using an electronic payment system discharged before the settlement date if, and only if, the entity has initiated the payment instruction and the following conditions are met:

i. the entity does not have the ability to withdraw, stop or cancel the payment instruction;

ii. the entity does not have the practical ability to access the cash to be used for the settlement due to the payment instruction; and

iii. the settlement risk associated with the electronic payment system is not significant.

(b) Clarifying and adding further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope covers contractual terms that can change cash flows based on contingent events (e.g., interest rates linked to environment, social and governance (ESG) targets), instruments with non-recourse features and contractually-linked instruments.

(c) Adding requirements for certain instruments with contractual terms that can change cash flows (e.g., instruments with features linked to the achievement of ESG targets) to provide a qualitative description of the nature of the contingent event, quantitative information about the range of possible changes to contractual cash flows, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

(d) Updating the requirements that the fair value information of equity instrument designated as at fair value through other comprehensive income through an irrevocable election shall be disclosed by category instead of by items. Also, the fair value gain or loss presented in other comprehensive income during the period shall be disclosed, with the fair value gain or loss related to investments derecognized during the reporting period and investments held at the end of the reporting period presented separately, along with the accumulated gains or losses transferred to equity during the reporting period due to the derecognition of investments during the reporting period.

B. Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

These amendments address contracts that expose an entity to variability in electricity generation due to the dependence on uncontrollable natural conditions (e.g., weather), as outlined below:

(a) Clarifying the application of the "own-use" requirements for contracts involving the purchase or sale of nature-dependent electricity:

If a contract requires an entity to purchase and take delivery of electricity as it is generated, and the design and operation of the electricity trading market obligate the entity to sell any unused electricity within a specified timeframe, the entity must evaluate reasonable and supportable information regarding its past, current, and expected future electricity transactions over a reasonable period not exceeding 12 months. If the entity purchases sufficient electricity to offset any unused electricity sold in the same market, it is classified as a net purchaser of electricity. The amendments introduce additional disclosure requirements for contracts referencing nature-dependent electricity that are accounted for as own-use contracts, including:

i. the risks arising from variability in the underlying electricity volume and the potential obligation to procure electricity during a delivery interval when the entity cannot use the electricity;

ii. unrecognized contractual commitments, including estimated future cash flows associated with electricity purchases under these contracts; and

iii. the impact of such contracts on the entity's financial performance during the reporting period.

(b) Clarifying the application of hedge accounting to designated contracts referencing nature-dependent electricity as hedging instruments:

A hedged item may be designated as a variable nominal amount of forecasted electricity transactions, provided that this amount aligns with the expected variable electricity output from the generation facility referenced in the hedging instrument. In addition, if the cash flows of contracts referencing nature-dependent electricity designated as a hedging instrument are conditional on the occurrence of the forecast transactions, the forecast transaction is presumed to be highly probable.

Entities designating contracts referencing nature-dependent electricity as hedging instruments must disclose the terms and conditions of such hedging instruments by risk category, in accordance with IFRS 7.

C. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"

The amendments resolve the inconsistencies between IFRS 10 and IAS 28. For sale (or contribution) of assets between an investor and its associate or joint venture, the recognition of full or partial gain or loss on the disposal depends on the nature of the assets being disposed of (or contributed):

(a) The gains or losses from the sale (or contribution) of assets defined as a business shall be recognized in full.

(b) The gains or losses from the sale (or contribution) of assets that does not constitute a business are recognized only to the extent of non-investors' interests in that associate or joint venture.

D. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and update the structure of the statement of comprehensive income. It will also introduce new disclosure requirements for management-defined performance measures and strengthen the principles of aggregation and disaggregation in the primary financial statements and notes.

E. IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The standard allows eligible subsidiaries to apply IFRS accounting standards with reduced disclosure requirements.

Aside from the aforementioned impacts, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

Major accounting policies adopted for the preparation of the parent company only financial statements are summarized below. Unless otherwise stated, these policies are applied consistently throughout all reporting periods.

(1) Statement of compliance

The parent company only financial statements for the years ended December 31, 2024 and 2023 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for agricultural produce which is measured at fair value less estimated costs to sell, the parent company only financial statements have been prepared on a historical cost basis.

B. The preparation of parent company only financial statements in conformity with IFRSs endorsed by the FSC requires the use of significant accounting estimates and the application of the Company’s accounting policies also involves management’s judgment. Please refer to Note 5 for details on items associated with a higher degree of judgement or complexity, or significant assumptions and estimates in the parent company only financial statements.

(3) Foreign currency translation

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the spot exchange rate at the transaction date or measurement date.

(b) Monetary assets and liabilities denominated in foreign currencies are remeasured using the spot exchange rate on the balance sheet date. Exchange differences arising from the remeasurement are recognized in profit or loss for the period.

(c) Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated using the exchange rate on the date when the fair value is determined. Any exchange differences arising from such translation are recognized in profit or loss for the year. However, if the fair value changes are recognized in other comprehensive income, the related exchange differences are also recognized in other comprehensive income. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated using the exchange rate on the transaction date and are not subsequently retranslated.

(4) Classification of current and non-current assets and liabilities

A. An asset is classified as current under one of the following criteria:

(a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is expected to be realized within twelve months after the reporting period; or

(d) The asset is classified as cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability, or subject to other conditions for at least twelve months after the reporting period.

Assets that are not classified as current are classified as non-current.

B. A liability is classified as current under one of the following criteria:

(a) It is expected to be settled in the normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; or

(d) The Company does not have a substantive right at the balance sheet date 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 issuing equity instruments do not affect its classification.

Liabilities that are not classified as current are classified as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with original maturities equal to or less than three months).

(6) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are recognized initially at fair value plus or minus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

The Company accounts for regular way purchase or sales of financial assets on the trade date basis.

(a) Measurement category

Financial assets of the Company are classified as financial assets at amortized cost.

i. Financial assets at amortized cost

The Company classifies financial assets as financial assets at amortized cost when the following two conditions are satisfied:

(i) The financial assets are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and

(ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial assets, except for:

(i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

(ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

(b) Impairment of financial assets

i. The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

ii. The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivables. For all other financial assets, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

iii. Expected credit losses reflect the weighted average of credit losses, with the respective risks of default as the weights. Twelve-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

iv. The Company recognizes an impairment loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

i. The contractual rights to the cash flows from the financial asset expire;

ii. The Company transfers the contractual rights to receive cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset; or

iii. The Company has not transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

B. Equity instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments are contracts that represent residual interests after an entity deducts all of its liabilities from its assets. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

C. Financial liabilities

(a) Subsequent measurement

All financial liabilities are measured using the effective interest method at amortized cost.

(b) Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the Company’s obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

D. Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified, if such changes do not result in derecognition of the financial instrument, the Company would remeasure the carrying amount of the financial asset or the amortized cost of the financial liability by discounting the modified cash flows using the original effective interest rate. Any modification gain or loss will be recognized in profit or loss. The costs or fees incurred are deemed as adjustments to the carrying amount of the modified financial instrument and amortized over the remaining period after modification. If the renegotiation or modification results in the derecognition of the financial instrument, then it would be handled in accordance with the derecognition rules.

(7) Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing overhead. Fixed manufacturing overhead is allocated based on normal production capacity, but excluding borrowing costs. The lower of cost or net realizable value is determined on an item-by-item basis. Net realizable value is the estimated selling price of inventories, less all estimated costs of completion and the costs necessary to make the sale in the ordinary course of business.

(8) Investments accounted for using the equity method / subsidiaries

A. A subsidiary is an entity (including a structured entity) controlled by the Company. The Company controls an entity when it has exposure or rights to variable returns from its involvement in an entity and has the ability to use its power over an entity to affect such returns.

B. Unrealized gains or losses arising from transactions between the Company and the subsidiary have been eliminated in preparing the financial statements. The accounting policies of the subsidiary have been adjusted, where necessary, to conform with the policies adopted by the Company.

C. After the acquisition, the Company recognizes its share of profit or loss and other comprehensive income of the subsidiary in profit or loss and other comprehensive income, respectively. If the Company's share of loss of the subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses by its shareholding percentage.

(9) Biological assets

Biological assets are measured at fair value less costs to sell at initial recognition and at the end of each financial reporting period, unless their fair value cannot be reliably measured. Gains or losses arising from the initial recognition of biological assets at fair value less costs to sell, as well as gains or losses from changes in the fair value less costs to sell of biological assets, shall be recognized in profit or loss for the period in which they occur. Biological assets whose fair value cannot be reliably measured shall be measured at cost less accumulated depreciation and accumulated impairment losses.

(10) Property, plant and equipment

A. Property, plant and equipment are stated at cost with interests incurred during construction or acquisition capitalized. For property, plant, and equipment under construction, samples produced during testing to determine if the assets can operate normally before reaching their intended use are measured at the lower of cost and net realizable value, with sales proceeds and costs recognized in profit or loss.

B. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced parts shall be derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.

C. Land is not depreciated. Other property, plant, and equipment are measured using the cost model and depreciated on a straight-line basis over their estimated useful lives. At the end of each financial year, the Company reviews the residual values, useful lives, and depreciation methods of each asset. If there are differences between the expected residual values or useful lives compared to previous estimates, or significant changes in the consumption pattern of future economic benefits of the asset, they shall be accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of changes. The useful lives of various assets are as follows:

Buildings	2 to 35 years
Machinery and equipment	2 to 20 years
Transportation equipment	4 to 10 years
Miscellaneous equipment	2 to 22 years

D. Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on derecognition of property, plant and equipment is the difference between net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss.

(11) Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

A. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for low-value asset leases and short-term leases where lease payments are recognized as expenses on a straight-line basis.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred, and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the underlying assets' ownership is transferred to the Company at the end of lease term, or the cost of right-of-use assets reflects the fact that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of underlying assets' useful life.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments and variable lease payments that are determined by an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in lease terms, assessments on the purchase option of underlying assets, amounts expected to be paid under residual value guarantees, or future lease payments due to changes in the index or rate used to determine the lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments of leases that are not determined by an index or a rate are recognized as expenses as incurred.

B. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments, net of lease incentives, from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

(12) Intangible assets

Intangible assets with finite useful lives acquired separately are measured at cost less accumulated amortization and accumulated impairment. Amortization is recognized on a straight-line basis by the following useful lives: Computer software - 5 years and Proprietary technology - 10 years. Intangible assets with indefinite useful lives, such as goodwill and licenses, must be tested for impairment at least annually or whenever there are indications of impairment. The estimated useful lives and amortization methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on derecognition of intangible assets is the difference between net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss of the period.

(13) Impairment of non-financial assets

At the end of each reporting period, the Company estimates the recoverable amount of assets with indications of impairment and recognizes impairment losses when the assets' recoverable amount is less than their carrying amounts. The recoverable amount is the higher of fair value less costs to sell or value in use. If the conditions that led to the recognition of impairment in previous years no longer exist, the Company may reverse the impairment recognized, with the reversal amount limited to the extent of the impairment loss recognized in those previous years.

Goodwill is not amortized but is subject to an annual impairment test. If there are indications of impairment, the test shall be conducted more frequently. During an impairment test, goodwill shall be allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from it. If the recoverable amount of a CGU is lower than its carrying amount, the difference is first allocated to reduce the carrying amount of the goodwill allocated to that CGU. Any remaining impairment loss is then allocated on a pro-rata basis to the other assets of the CGU based on the carrying amount of each asset. Any goodwill impairment loss shall be recognized immediately as a loss for the year and shall not be reversed in subsequent periods.

(14) Provisions

Provisions (including short-term employee benefits) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, of which amount can be reliably estimated. The measurement of provisions is based on the best estimate of the present value of the expenditure required to settle the obligation as of the balance sheet date. The discount rate used shall be a pre-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the liability. Amortization of discount shall be recognized as interest expense. Provisions shall not be recognized for future operating losses.

(15) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognized as an expense when the related services are rendered.

B. Pension - Defined contribution plan

For defined contribution plans, the amount of the retirement fund to be contributed is recognized as pension cost for the period on an accrual basis. Prepaid contributions are recognized as an asset to the extent that they represent refundable cash or reduce future payments.

C. Employee compensation and remuneration to directors

Employee compensation and remuneration to directors are recognized as expenses and liabilities when the Company has legal or constructive obligations and the amounts can be reasonably estimated. If the amount accrued differs from the amount resolved to be distributed, the difference would be recognized as changes in accounting estimate.

(16) Share capital and treasury stocks

A. Share capital

Common stocks are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options are recorded as a reduction of proceeds within equity.

B. Treasury stocks

When the Company repurchases its issued shares, the consideration paid (including directly attributable costs) is recognized as "treasury stock", which is presented as a deduction in equity. If treasury stock is subsequently disposed of at a price higher than its carrying amount, the difference is recorded in capital surplus - treasury stock transactions. If disposed of at a price below its carrying amount, the difference is first offset against the capital surplus arising from prior treasury stock transactions of the same category. If the capital surplus is insufficient, the shortfall is debited to retained earnings. The carrying amount of treasury stock is calculated using the weighted average method, and is determined separately by purchase reason.

When treasury stock is retired, capital surplus - additional paid-in capital and share capital are debited on a pro rata basis. If the carrying amount of the treasury stock exceeds the sum of its par value and additional paid-in capital, the difference is first offset against the capital surplus arising from prior treasury stock transactions of the same category. If the capital surplus is insufficient, the remaining shortfall is offset against retained earnings. Conversely, if the carrying amount is lower than the sum of its par value and additional paid-in capital, the difference is credited to capital surplus arising from prior treasury stock transactions of the same category.

(17) Income tax

A. Income tax expense includes both current and deferred income taxes. Except for income taxes related to items recognized in other comprehensive income or directly in equity, which are separately recognized in other comprehensive income or directly in equity, income taxes are recognized in profit or loss.

B. Current income tax is calculated based on the taxable income generated by the Company, using the tax rates that are enacted or substantially enacted as of the balance sheet date. Management periodically reviews the income tax filings in accordance with applicable tax laws and regulations, and, where appropriate, estimates income tax liability based on the expected amounts to be paid to tax authorities. Income tax imposed by the Income Tax Act on undistributed earnings is recognized as an income tax expense based on the actual distribution after the distribution proposal is approved at the shareholders' meeting following the year in which the earnings were generated.

C. Deferred income tax is accounted for using the balance sheet method, which recognizes temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. Similarly, deferred income tax is not recognized if it originates from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss) nor gives rise to equal taxable and deductible temporary differences. Temporary differences from investments in subsidiaries are not recognized if the Company controls the timing of the reversal of these temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred income tax is measured at the tax rates (and tax laws) that are expected to apply when the related assets are realized or the liabilities are settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

D. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and carryforward of unused tax credits can be utilized. Deferred income tax assets, both unrecognized and recognized, are reassessed at the end of each reporting period.

E. The current income tax assets and current income tax liabilities are offset when there is a legally enforceable right to set off current income tax assets and liabilities, and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off the current income tax assets against current income tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxed levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend to settle current tax liabilities and assets on a net basis or realize the assets and settle the liabilities simultaneously.

(18) Revenue recognition

A. Sale of goods

(a) The Company recognizes revenue from the sale of fresh eggs, egg products, pullets and related products when control of the product is transferred to the customer, i.e., when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and the Company does not have any unsatisfied performance obligations that may affect the customer's acceptance of the product. The product is considered delivered when it is delivered to the designated location, the risks of obsolescence and loss have been transferred to the customer, and either the customer accepts the product according to the sales contract or there is objective evidence that all acceptance criteria have been met.

(b) Revenue from the sale of fresh eggs, egg products, and pullets is recognized at the contract price, net of estimated quantity discounts and sales allowances. Quantity discounts and sales allowances given to customers are usually calculated based on sales volume. The Company estimates sales allowances using the expected value method based on historical experience. Revenue recognition is limited to the portion of revenue where a significant reversal is highly unlikely to occur in the future, and estimates are updated at each balance sheet date. Except for cash sales, the collection terms for sales transactions are one to two months after the shipment date, which is consistent with market practice. Therefore, it is determined that the contract does not contain a significant financing component.

(c) Accounts receivables are recognized when products are delivered to the customers, as the Company then has an unconditional right to the contract price and can collect the consideration from the customers as time passes.

B. Financing component

For the Company's contracts with customers, the time interval between the transfer of promised goods or services and the customer's payment does not exceed one year. Therefore, the Company has not adjusted the transaction price to reflect the time value of money.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are included as part of the cost of that asset until substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Income earned on temporary investment of funds borrowed specifically before they are used for expenditures on the qualifying asset shall be deducted from the costs eligible for capitalization.

All other borrowing costs, apart from those mentioned above, are recognized in profit or loss in the period in which they are incurred.

5. Critical Accounting Judgments, Estimates and Major Sources of Assumption Uncertainty

The Company incorporates the economic impact of climate change and related government policies and regulations into significant accounting estimates and will continue to review the underlying assumptions and estimates. If the adjustment to the estimate affects only the current period, it is recognized in the current period. If the adjustment to the accounting estimate affects both the current and future periods, it is recognized in both the current and future periods.

When preparing the parent company only financial statements, the Company has made the following critical judgments, estimates, and assumptions in applying its accounting policies:

(1) Significant judgments in applying accounting policies:

A. Revenue recognition

The Company assesses under IFRS 15 whether it obtains control of specified goods or services before they are transferred to a customer to determine whether it is acting as a principal or an agent in the transaction. If the Company is determined to be acting as an agent, revenue is recognized on a net basis.

The Company is acting as a principal if any of the following conditions is met:

(a) the Company obtains control of a good or another asset from the other party that it then transfers to the customer; or

(b) the Company controls the right to a service to be performed by the other party, which gives it the ability to direct that party to provide the service to the customer on behalf of the Company; or

(c) the Company obtains control of a good or service from the other party that it then combines with other goods or services in providing specific good or service to the customer.

Indicators that help the Company determine whether it has control of a specified good or service before transferring it to customers include (but are not limited to):

(a) The Company is primarily responsible for fulfilling the promise to provide the specified good or service.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) The Company has inventory risk before the specified good or service is transferred to a customer or after the transfer of control to the customer (for example, if the customer has a right of return).

(c) The Company has discretion in establishing the price.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible and intangible assets

During the asset impairment assessment process, the Company needs to rely on subjective judgments and take into account the asset usage patterns and industry characteristics to determine the independent cash flows of specific asset groups, their useful lives, and the potential future revenues and expenses. Changes in economic conditions or corporate strategies could lead to significant impairments in the future.

B. Impairment assessment of investments accounted for using the equity method

When there are indications of impairment suggesting that an investment accounted for using the equity method may have been impaired to the extent that its carrying amount cannot be recovered, the Company would assess the impairment of the investment. The Company evaluates the recoverable amount based on the present value of expected future cash flows from the investee or the present value of expected cash dividends and future cash flows from the disposal of the investment, and analyzes the reasonableness of related assumptions.

C. Inventory valuation

Since inventories shall be valued at the lower of cost or net realizable value, the Company shall use judgment and estimates to determine the net realizable value of inventories at the end of the reporting period. The Company assesses the amount of inventories at the end of the reporting period with consideration to normal wear and tear, obsolescence, or lack of market value, and writes down the inventory cost to its net realizable value.

D. Estimated impairment of financial assets

The estimated impairment of accounts receivables is based on the Company's assumptions regarding default rates and expected loss rates. The Company considers historical experience, current market conditions, and forward-looking information to make assumptions and determines inputs for impairment assessment. Less-than-expected future cash flows could result in significant impairment losses.

6. Details of Significant Accounts

(1) Cash and cash equivalents

Items	December 31, 2024	December 31, 2023
Cash	$ 738	$ 1,012
Checking deposits	232	237
Demand deposits	147,189	148,604
Foreign-currency deposits	1,598	48,727
Total	$ 149,757	$ 198,580

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

A. The Company only transacts with financial institutions with sound credit quality and it maintains relationships with several financial institutions to diversify credit risk. The probability of default is expected to be very low.

B. The Company's cash and cash equivalents were not pledged.

(2) Notes receivable, net

Items	December 31, 2024	December 31, 2023
Measured at amortized cost		
Gross carrying amount	$ 714	$ 3,939
Less: Loss allowance	-	-
Notes receivable, net	$ 714	$ 3,939

A. The Company's notes receivables were not pledged.

B. Please refer to Note 6(3) for details on loss allowances of notes receivable.

(3) Accounts receivable, net

Items	December 31, 2024	December 31, 2023
Measured at amortized cost		
Gross carrying amount	$ 170,929	$ 208,949
Less: Loss allowance	(129)	(20)
Accounts receivable, net	$ 170,800	$ 208,929

A. The Company's accounts receivables arising from the sales of goods have an average credit period of one to two months, which is determined based on the industry characteristics, business scale, and profitability of the counterparties.

B. The Company's accounts receivables were not pledged.

C. The Company adopts the simplified approach under IFRS 9 and measures loss allowance at an amount equal to lifetime expected credit losses (ECLs) for all accounts receivables. The lifetime ECLs are estimated using a provision matrix by considering the customer's past default experience and current financial position as well as the general economic conditions of the industry. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance is not further distinguished according to customer base. The Company determines the ECL rates based on the past due days of accounts receivables.

The Company writes off related accounts receivable when there is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. However, the Company would continue to engage in enforcement activity to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

D. The following table details the loss allowance of notes and accounts receivables (including related parties) based on the Company's provision matrix:

December 31, 2024	ECL Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$ 205,186	$ -	$ 205,186
1 to 30 days	3%	3,055	92	2,963
31 to 90 days	5%	93	5	88
Over 91 days	50%~100%	64	32	32
Total		$ 208,398	$ 129	$ 208,269

December 31, 2023	ECL Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$ 262,526	$ -	$ 262,526
1 to 30 days	3%	61	2	59
31 to 90 days	5%	2	-	2
Over 91 days	50%~100%	18	18	-
Total		$ 262,607	$ 20	$ 262,587

The movements in the loss allowance of notes and accounts receivables were as follows:

Items	Years Ended December 31 2024	2023
Beginning balance	$ 20	$ 18
Add: Impairment loss recognized (reversed)	119	2
Less: Write off	(10)	-
Ending balance	$ 129	$ 20

E. The Company does not hold any collateral or other credit enhancements for these accounts receivables.

F. Please refer to Note 12 for information on related credit risk management and assessment methods.

(4) Inventories and cost of goods sold

Items	December 31, 2024	December 31, 2023
Raw materials (supplies)	$ 10,842	$ 9,116
Work in progress	267	188
Finished goods	20,077	10,868
Total	$ 31,186	$ 20,172

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

A. Inventory gains or losses recognized as cost of goods sold for the period were as follows:

Items	Years Ended December 31 2024	2023
Cost of inventories sold	$ 857,355	$ 810,700
Sale of consumable biological assets	6,499	25,315
(Gain on reversal of) inventory write-downs	904	701
Loss (gain) on physical inventory	158	1,524
Obsolescence	443	1,150
Revenue from sale of scrap and waste materials	(2,282)	(3,019)
Gain (loss) on agricultural produce for the period	21,200	103,457
Total operating costs	$ 884,277	$ 939,828

B. For the years ended December 31, 2024 and 2023, the Company recognized inventory write-downs of NT$904 thousand and NT$701 thousand, respectively, for writing down inventories to their net realizable value.

C. The Company's inventories were not pledged.

(5) Biological assets

A. Details of biological assets

	December 31, 2024	December 31, 2023
Biological assets - current		
Consumable biological assets - poultry	$ 11,429	$ 13,596
Biological assets - non-current		
Bearer biological assets - poultry	$ 182,856	$ 160,929
Bearer biological assets - accumulated depreciation	(63,454)	(86,156)
Total	$ 119,402	$ 74,773

Consumable biological assets are ones that are to be harvested as agricultural produce or sold as biological assets. Bearer biological assets refer to biological assets other than consumable biological assets.

B. Reconciliation of the carrying amount of biological assets

Items	Years Ended December 31 2024	2023
Balance as of January 1	$ 88,369	$ 105,819
Raising costs	137,526	120,108
Increases due to purchases during the period	25,781	-
Depreciation	(92,133)	(72,427)

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Years Ended December 31	
Items	2024	2023
Sale and write-off	$ (22,213)	$ (39,816)
Transferred to inventories	(6,499)	(25,315)
Balance as of December 31	$ 130,831	$ 88,369

(Concluded)

C. Biological assets of the Company mainly consist of chicks, pullets, and layer hens. Due to the difficulty in obtaining direct market prices for chicks and pullets during their raising period, the short production cycle of layer hens, and the impact of external factors such as climate and disease on the reliability of discounted cash flow estimates, these biological assets are measured using the cost model. The cost of biological assets includes all costs incurred during the growth cycle, such as the purchase costs of livestock, poultry and feed, and farm-related expenses. The cost of bearer biological assets is amortized on a straight-line basis over their productive period, which is approximately 16 months for layer hens. For the years ended December 31, 2024 and 2023, the depreciation expenses of biological assets amounted to NT$92,133 thousand and NT$72,427 thousand, respectively.

D. Estimated quantity of biological assets

Unit: Thousand heads

Items	December 31, 2024	December 31, 2023
Quantity of biological assets	1,001	819

E. Financial risk management strategies

The Company's financial risk primarily arises from fluctuations in egg prices. The Company does not anticipate a significant decline in egg prices in the foreseeable future; therefore, no derivative contracts have been executed. The Company regularly reviews its expectations of egg prices to assess the necessity of adopting proactive financial risk management measures.

(6) Prepayments

Items	December 31, 2024	December 31, 2023
Prepaid material purchases	$ 1,851	$ 800
Prepaid expenses	12,521	4,968
Purchase taxes	34	-
Overpaid sales taxes	703	3,498
Total	$ 15,109	$ 9,266

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(7) Other financial assets

Items	December 31, 2024	December 31, 2023
Time deposits with original maturities over three months	$ -	$ 100,000
Reserve account	-	428
Total	$ -	$ 100,428

A. The annual interest rate for bank time deposits as of December 31, 2023, was 1.33%.

B. Please refer to Note 8 for other financial assets pledged.

(8) Investments accounted for using the equity method

Investee	December 31, 2024	December 31, 2023
Subsidiaries		
Tai Da Eggs Technology Co., Ltd.	$ 25,521	$ 21,281
JihShang Livestock Products Co., Ltd.	2,189	2,149
Mountain River Livestock Products Co., Ltd.	971	976
Dawushan Ise Foods Co., Ltd.	139,339	53,508
Total	$ 168,020	$ 77,914

A. Basic information of subsidiaries is as follows:

Company Name	December 31, 2024	December 31, 2023
Tai Da Eggs Technology Co., Ltd.	68.39%	68.39%
JihShang Livestock Products Co., Ltd.	100.00%	100.00%
Mountain River Livestock Products Co., Ltd.	100.00%	100.00%
Dawushan Ise Foods Co., Ltd. (Note 3) (ChinNungHsing Eggs Co., Ltd.)	60.00%	53.50%

B. Please refer to Table 4 in Note 13 for information on subsidiaries of the Company.

C. In March 2023, the Company subscribed to a cash capital increase and acquired a 66.67% stake in ChinNungHsing Eggs Co., Ltd. (renamed Dawushan Ise Foods Co., Ltd. in January 2024), gaining control over the entity. In April of the same year, the entity conducted a cash capital increase and a property capital increase. The Company subscribed to new shares from the cash capital increase, reducing the ownership percentage from 66.67% to 53.50%, while still maintaining control. In August 2024, the entity conducted a cash capital increase. The Company subscribed to new shares from the cash capital increase, raising its ownership percentage from 53.50% to 60.00%.

D. The Company calculates its investments accounted for using the equity method and its share of these investees' profit or loss and other comprehensive income based on audited financial statements, except for JihShang Livestock Products Co., Ltd. and Mountain River Livestock Products Co., Ltd., which are calculated based on unaudited financial statements. However, the Company's management believes that the use of unaudited financial statements of the aforementioned investees would not have a material impact.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

E. As of December 31, 2024 and 2023, the Company's investments accounted for using the equity method were not pledged.

(9) Property, plant and equipment

Items	December 31, 2024	December 31, 2023
Land	$ 246,090	$ 224,521
Buildings	853,289	848,860
Machinery and equipment	856,177	846,870
Other equipment	39,219	29,334
Construction in progress and equipment awaiting inspection	91,932	25,437
Total costs	$ 2,086,707	$ 1,975,022
Less: Accumulated depreciation	(652,905)	(582,656)
Accumulated impairment	-	-
Total	$ 1,433,802	$ 1,392,366

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Awaiting Inspection	Total
Cost						
Balance as of January 1, 2024	$ 224,521	$ 848,860	$ 846,870	$ 29,334	$ 25,437	$ 1,975,022
Additions	35	4,429	7,665	2,899	117,121	132,149
Disposals	-	-	(20,428)	(36)	-	(20,464)
Reclassifications	21,534	-	22,070	7,022	(50,626)	-
Balance as of December 31, 2024	$ 246,090	$ 853,289	$ 856,177	$ 39,219	$ 91,932	$ 2,086,707
Accumulated depreciation and impairment						
Balance as of January 1, 2024	$ -	$ 167,264	$ 400,241	$ 15,151	$ -	$ 582,656
Depreciation	-	28,170	56,403	3,538	-	88,111
Disposals	-	-	(17,826)	(36)	-	(17,862)
Balance as of December 31, 2024	$ -	$ 195,434	$ 438,818	$ 18,653	$ -	$ 652,905

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Awaiting Inspection	Total
Cost						
Balance as of January 1, 2023	$ 224,521	$ 844,086	$ 746,163	$ 24,961	$ 7,916	$ 1,847,647
Additions	-	4,320	11,497	4,442	108,885	129,144
Disposals	-	-	(1,685)	(84)	-	(1,769)
Reclassifications	-	454	90,895	15	(91,364)	-
Balance as of December 31, 2023	$ 224,521	$ 848,860	$ 846,870	$ 29,334	$ 25,437	$ 1,975,022

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Awaiting Inspection	Total
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 139,278	$ 350,807	$ 12,181	$ -	$ 502,266
Depreciation	-	27,986	51,106	3,035	-	82,127
Disposals	-	-	(1,672)	(65)	-	(1,737)
Balance as of December 31, 2023	$ -	$ 167,264	$ 400,241	$ 15,151	$ -	$ 582,656

(Concluded)

A. Reconciliation of the additions for the period and the acquisition of property, plant and equipment in the statements of cash flows is as follows:

Items	Years Ended December 31 2024	2023
Additions to property, plant and equipment	$ 132,149	$ 129,144
(Increase) decrease in payables on equipment	1,250	186
Cash paid for acquisition of property, plant and equipment	$ 133,399	$ 129,330

B. Please refer to Note 6(27) for details on capitalization of borrowing costs related to property, plant and equipment.

C. Impairment loss on property, plant and equipment for the years ended December 31, 2024 and 2023 was NT$0 thousand.

D. Please refer to Note 8 for collateral provided using property, plant and equipment.

E. For the benefit of consolidating the plant area and corporate long-term developments, the Company acquired land adjacent to the composting site, i.e., land parcels with serial numbers 224, 224-1, and 224-2 in the Wanlong Section, totaling 3,068.96 ping. After negotiating with the owner, the transaction amount was set at NT$21,500 thousand, which had been paid in full by the Company in accordance with the contract.

F. To expand production capacity, the Company signed a contract in September 2024 to purchase livestock farmland and facilities, including livestock housing and equipment, for a total of NT$90,000 thousand. In accordance with the agreement, the full payment was deposited into a performance guarantee account. However, as of December 31, 2024, the transfer of ownership had not yet been finalized. In October 2024, the parties signed a supplementary agreement to amend the transaction details and reduce the purchase price to NT$88,000 thousand. The excess payment of NT$2,000 thousand will be refunded to the Company upon completion of the ownership transfer, as mutually agreed.

G. As of December 31, 2024 and 2023, the portion of land designated for agricultural and pastoral use, which, due to legal restrictions, could not be registered in the Company's name and was instead registered under individuals, was valued at NT$51,205 thousand and NT$29,635 thousand, respectively. As of December 31, 2024, the Company had completed the registration of mortgage rights as part of its security measures to safeguard its interests.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(10) Lease agreements

A. Right-of-use assets

Items	December 31, 2024	December 31, 2023
Livestock housing and equipment	$ 38,885	$ -
Buildings	-	949
Transportation equipment	1,474	4,937
Total costs	40,359	5,886
Less: Accumulated depreciation	(9,022)	(3,767)
Accumulated impairment	-	-
Net	$ 31,337	$ 2,119

Costs	Livestock Housing and Equipment	Buildings	Transportation Equipment	Total
Balance as of January 1, 2024	$ -	$ 949	$ 4,937	$ 5,886
Additions	38,885	-	-	38,885
Derecognitions	-	(949)	(3,463)	(4,412)
Balance as of December 31, 2024	$ 38,885	$ -	$ 1,474	$ 40,359
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	$ -	$ 829	$ 2,938	$ 3,767
Depreciation	8,101	120	1,446	9,667
Derecognitions	-	(949)	(3,463)	(4,412)
Balance as of December 31, 2024	$ 8,101	$ -	$ 921	$ 9,022

	Buildings	Transportation Equipment	Total
Costs			
Balance as of January 1, 2023	$ 949	$ 3,463	$ 4,412
Additions	-	1,474	1,474
Balance as of December 31, 2023	$ 949	$ 4,937	$ 5,886
Accumulated Depreciation and Impairment			
Balance as of January 1, 2023	$ 355	$ 1,493	$ 1,848
Depreciation	474	1,445	1,919
Balance as of December 31, 2023	$ 829	$ 2,938	$ 3,767

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. Lease liabilities

Items	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 9,915	$ 1,579
Non-current	$ 21,577	$ 560

The discount rate range for lease liabilities was 1.95% ~ 2.07%.

Please refer to Note 12(2) for the maturity analysis of lease liabilities.

C. Material lease-in activities and terms

To expand operations, the Board approved leasing livestock housing and equipment, including ChengHao Livestock Farm, from parent company Kuo Hsing Poultry & Livestock Feeds Co., Ltd., on January 29, 2024. The lease runs from March 2024 to February 2028, with a monthly payment of NT$887 thousand (tax included). The Company recognized right-of-use assets at lease commencement.

The Company leases livestock housing, equipment and transportation equipment for operations, with remaining terms of 0.25 to 1.58 years. Some leases include renewal options upon expiration of the lease terms. According to the contract, subleasing is prohibited without the lessor's consent. As of December 31, 2024 and 2023, the right-of-use assets showed no signs of impairment, so no impairment assessment was conducted.

D. Other lease information

(a) Lease-related expenses for the period were as follows:

	Years Ended December 31	
Items	2024	2023
Expense of short-term leases	$ 2,902	$ 2,107
Total cash outflows of leases (Note)	$ 12,434	$ 4,028

(Note): Including the principal repayments of lease liabilities for the period.

(11) Intangible assets

Items	December 31, 2024	December 31, 2023
Licenses	$ 23,810	$ 23,810
Goodwill	21,500	21,500
Proprietary technology	8,571	8,571
Computer software	5,737	5,386
Total costs	59,618	59,267
Less: Accumulated amortization	(6,505)	(4,502)
Accumulated impairment	(4,739)	-
Net	$ 48,374	$ 54,765

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Costs					
Balance as of January 1, 2024	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Additions	-	-	-	351	351
Balance as of December 31, 2024	$ 23,810	$ 21,500	$ 8,571	$ 5,737	$ 59,618
Accumulated Amortization and Impairment					
Balance as of January 1, 2024	$ -	$ -	$ 2,000	$ 2,502	$ 4,502
Amortization	-	-	857	1,146	2,003
Impairment loss	-	4,739	-	-	4,739
Balance as of December 31, 2024	$ -	$ 4,739	$ 2,857	$ 3,648	$ 11,244

	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Costs					
Balance as of January 1, 2023	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Additions	-	-	-	-	-
Balance as of December 31, 2023	$ 23,810	$ 21,500	$ 8,571	$ 5,386	$ 59,267
Accumulated Amortization and Impairment					
Balance as of January 1, 2023	$ -	$ -	$ 1,143	$ 1,422	$ 2,565
Amortization	-	-	857	1,080	1,937
Balance as of December 31, 2023	$ -	$ -	$ 2,000	$ 2,502	$ 4,502

A. In September 2021, the Company recognized goodwill arising from the acquisition of TienTiJen Egg Farm, primarily due to expected synergies, revenue growth, and future market development. According to IAS 36, goodwill acquired through business combinations must be tested for impairment at least annually.

B. As of December 31, 2024, the Company determined that the recoverable amount, calculated based on its value in use, was lower than its carrying amount. Consequently, a goodwill impairment loss of NT$4,739 thousand was recognized in 2024. The recoverable amount was determined using the value-in-use approach, based on the estimated future cash flows from the five-year financial budget approved by management, discounted at an annual discount rate of 10%.

(12) Short-term loans

As of December 31, 2024: None.

Nature of Loans	December 31, 2023 Amount	December 31, 2023 Interest Rate
Mortgage loans	$ 66,000	1.95%-2.10%

For short-term loans, the Company provided some property, plant and equipment as collateral. Please refer to Note 8 for details.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(13) Other payables

Items	December 31, 2024	December 31, 2023
Accrued payroll and employee benefits	$ 27,905	$ 22,485
Compensation of employees and remuneration of directors and supervisors - current period	8,977	7,597
Accrued freight expense	10,670	10,280
Payable for purchase of equipment	333	1,583
Sales discounts and allowances payable	11,462	8,606
Accrued channel fees	2,988	3,141
Accrued interests	249	593
Others	20,249	18,254
Subtotal of unrelated parties	82,833	72,539
Related parties:		
Outsourcing fee payable	-	576
Others	405	-
Subtotal of related parties	405	576
Total	$ 83,238	$ 73,115

Please refer to Note 7(3)D for details on related party transactions.

(14) Provisions - current

Items	December 31, 2024	December 31, 2023
Employee benefits	$ 3,400	$ 2,915

Items	Employee Benefits Years Ended December 31 2024	2023
Beginning balance	$ 2,915	$ 2,353
Additions	3,400	2,915
Used	(2,915)	(2,353)
Ending balance	$ 3,400	$ 2,915

Provision for employee benefits is an estimate of employees’ vested rights for short-term service leaves.

(15) Long-term loans and current portion of long-term loans

Items	December 31, 2024	December 31, 2023
Secured loans	$ 265,526	$ 500,411
Credit loans	-	122,579
Less: Current portion	(21,181)	(98,590)
Total	$ 244,345	$ 524,400
Interest rate range	2.05%-2.095%	1.95%-2.275%

For long-term loans, the Company provided some property, plant and equipment as collateral. Please refer to Note 8 for details.

(16) Share capital

Reconciliation of the number and dollar amount of common stocks outstanding at the beginning and end of the period is as follows:

	Year Ended December 31, 2024	
	No. of Shares (in thousands)	Amount
Balance as of January 1	60,750	$ 607,500
Issuance of common stocks for cash	7,595	75,950
Balance as of December 31	68,345	$ 683,450

	Year Ended December 31, 2023	
	No. of Shares (in thousands)	Amount
Balance as of January 1	55,000	$ 550,000
Issuance of common stocks for cash	3,000	30,000
Capitalization of capital surplus	2,750	27,500
Balance as of December 31	60,750	$ 607,500

A. As of December 31, 2024, the Company's authorized capital was NT$1,000,000 thousand, divided into 100,000 thousand shares. The said capital included 5,000 thousand shares with the amount of NT$50,000 thousand reserved for the issuance of employee stock options. The Company may authorize the Board of Directors to issue the shares in tranches in accordance with relevant laws and regulations.

B. On June 16, 2023, the Company's annual shareholders' meeting approved a capital increase through retained earnings of NT$27,500 thousand. The plan was subsequently approved by the FSC on June 27, 2023. The capital increase involved issuing 2,750 thousand common stocks with a par value of NT$10 each, and the record date was set on July 23, 2023.

C. On June 29, 2023, the Company's Board of Directors approved a cash capital increase of NT$30,000 thousand. The plan was approved by the FSC on August 8, 2023. The capital increase involved issuing 3,000 thousand common stocks at a premium. The issue price was set at NT$56 per share, and the record date was set on September 19, 2023. The registration of the cash capital increase was completed on October 23, 2023.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

D. On March 29, 2024, the Company's Board of Directors resolved to increase capital by issuing 7,595 thousand new shares, each with a par value of NT$10, at a premium of approximately NT$57.13 per share. Following this capital increase, the paid-in capital amounted to NT$683,450 thousand. The record date was set on June 11, 2024 and the registration of the cash capital increase was completed.

(17) Capital surplus

Items	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 542,949	$ 188,009
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6	10
Employee stock options expired (Note 2)	6	6
Others (Note 4)	42,325	42,325
Total	$ 585,286	$ 230,350

A. According to the Company Act, capital surplus arising from shares issued at premium or from endowments may be used to offset a deficit. If the Company has no accumulated deficits, such capital surplus may be distributed as stock or cash dividends in proportion to shareholders' original holdings. The Company shall not use capital surplus to offset losses unless the retained earnings are insufficient to cover the losses. Capital surplus generated from investments accounted for using the equity method shall not be used for any purposes.

B. In September 2023, the Company conducted a cash capital increase. According to Article 267 of the Company Act, 10% of the total new shares issued, i.e., 300 thousand shares, were reserved for employee subscription. These equity instruments were measured at fair value as of the grant date, and recognized as payroll expenses and capital surplus - stock options of NT$15 thousand. After the subscription, the capital surplus - stock options were reclassified to capital surplus - additional paid in capital of NT$9 thousand and expired employee stock options of NT$6 thousand.

C. In June 2024, the Company conducted a cash capital increase. According to Article 267 of the Company Act, 10% of the total new shares issued, i.e., 760 thousand shares, were reserved for employee subscription. These equity instruments were measured at fair value as of the grant date, and recognized as payroll expenses and capital surplus - stock options of NT$0 thousand.

D. Please refer to Note 6(18)C for transactions related to capital surplus - others.

(18) Retained earnings

A. Pursuant to the Company's Articles of Incorporation, when the Company generates profits for the current year, it shall first provide for taxes, offset accumulated losses and then set aside 10% of the remaining balance as legal reserve, unless the legal reserve has equaled the Company's total capital. Next, the Company shall appropriate or reverse a special reserve based on the Company's operational needs and applicable laws and regulations. The Board of Directors would then draft an earning distribution proposal based on the remaining profit, if any, together with cumulative undistributed earnings, and submit it to the shareholders' meeting for a resolution.

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The Company's dividend policy is designed to align with current and future development plans, while taking into account the investment environment, funding needs, and domestic and international competitions, as well as the interests of shareholders. At least 10% of the distributable earnings for the year shall be allocated to shareholder dividends. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, the Company may elect not to distribute dividends. Dividends may be distributed in the form of cash or stock, and cash dividend shall not be less than 10% of the total dividends.

B. Legal reserve may not be used except to offset deficits or to be distributed as new shares or cash in proportion to shareholders' original holdings. However, the distributions of new shares or cash are limited to the portion of the reserve that exceeds 25% of the paid-in capital.

C. Information about the appropriation of 2023 and 2022 earnings and dividend per share resolved in the shareholders' meetings in May 2024 and June 2023, respectively, was as follows:

	Appropriation of Earnings		Dividend per Share (NT$)	
Items	2023	2022	2023	2022
Legal reserve	$ 7,208	$ 15,996		
Special reserve	-	42,325		
Cash dividends for common stocks	68,345	55,000	1.00 (Note)	1.00
Stock dividends for common stocks	-	27,500	-	0.50
Total	$ 75,553	$ 140,821		

(Note): The original earnings distribution plan proposed a cash dividend of NT$1.125 per share. However, due to a capital increase in June, the total number of shares was adjusted to 68,345 thousand shares. As a result, the actual cash dividend per share is NT$1.00.

(a) Reasons for appropriating special reserve:

On September 1, 2021, the Company acquired real estate of the TienTiJen Egg Farm from the related party, Kuo Hsing Poultry & Livestock Feeds Co., Ltd., for NT$248,635 thousand (tax included). According to Paragraph 1, Article 16 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the transaction cost was assessed to be NT$206,311 thousand. In accordance with Paragraph 1, Article 18 of the same Regulations, the Company shall appropriate a special reserve for the difference of NT$42,325 thousand between the transaction price and the assessed cost.

(b) Reversal of special reserve:

Since Kuo Hsing Poultry & Livestock Feeds Co., Ltd. refunded the aforementioned price difference of NT$42,325 thousand (recorded under capital surplus - other) on June 6, 2023, the Company applied to the Securities and

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Futures Bureau on June 16, 2023 for an approval to reverse the special reserve. The approval was granted on June 30, 2023.

D. Information about the appropriation of 2024 earnings and dividend per share proposed by the Board of Directors in February 2025 was as follows:

	Year Ended December 31, 2024	
Items	Appropriation of Earnings	Dividend per Share (NT$)
Legal reserve	$ 9,480	
Cash dividends for common stocks	67,345	1.00 (Note)
Total	$ 76,825	

(Note): The calculation excludes 1,000 thousand treasury stocks.

Additionally, a cash dividend of NT$1.00 per share will be distributed from the capital surplus. The 2024 earnings and capital surplus distribution proposals were pending resolution at the annual shareholders' meeting.

E. Information regarding the Board of Directors' proposals and the shareholders' meeting resolutions on earnings distribution is available on the "Market Observation Post System" of the Taiwan Stock Exchange.

(19) Treasury stocks

A. Reasons for share repurchase and changes in quantity

In Thousand Shares

	Year Ended December 31, 2024			
Reason for Repurchase	January 1	Increase	Decrease	December 31
Transfer to employees	-	745	-	745

For the year ended December 31, 2023: None.

(a) On November 22, 2024, the Company resolved in a Board meeting to repurchase 1,000 thousand shares to be transferred to employees between November 25, 2024, and January 24, 2025. As of December 31, 2024, the Company had repurchased 745 thousand shares, totaling NT$36,511 thousand, and the repurchase was fully completed as of the financial statement issuance date.

B. According to the Securities and Exchange Act, the total number of repurchased shares must not exceed 10% of the Company's total issued shares, and the total repurchase amount must not exceed the aggregate of retained earnings, share premium, and realized capital surplus.

C. Treasury stocks held by the Company cannot be pledged in accordance with the Securities and Exchange Act. Before being transferred, these stocks do not carry shareholder rights.

D. According to the Securities and Exchange Act, stocks repurchased for employee transfer must be transferred within five years from the repurchase date. Stocks not transferred within this period would be deemed unissued shares of the Company and must be canceled and registered accordingly.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(20) Operating revenue

Items	Years Ended December 31 2024	2023
Revenue from contracts with customers		
Sales revenue	$ 1,217,973	$ 1,139,169
Less: Sales returns	(30)	(17)
Sales discounts and allowance	(32,736)	(12,187)
Net revenue from contracts with customers	$ 1,185,207	$ 1,126,965

A. Contracts with customers

Revenue comes from the sale of fresh eggs, processed egg products, and pullets, primarily to wholesalers and retailers, at prices stipulated in contracts.

B. Breakdown of revenue from contracts with customers

The Company's revenue comes from the transfer of goods at a specific point in time. Revenue can be divided into the following main business segments:

(a) Breakdown by product type:

For the year ended December 31, 2024

	Fresh Eggs	Processed Egg Products	Others	Total
External customers				
Contract revenue	$ 1,058,259	$ 119,661	$ 7,287	$ 1,185,207
Timing of revenue recognition				
Products transferred at a specific point in time	$ 1,058,259	$ 119,661	$ 7,287	$ 1,185,207

For the year ended December 31, 2023

	Fresh Eggs	Processed Egg Products	Others	Total
External customers				
Contract revenue	$ 970,013	$ 124,654	$ 32,298	$ 1,126,965
Timing of revenue recognition				
Products transferred at a specific point in time	$ 970,013	$ 124,654	$ 32,298	$ 1,126,965

C. Contract balances

The Company recognized receivables and contract liabilities related to revenue from contracts with customers as follows:

Items	December 31, 2024	December 31, 2023
Notes and accounts receivables	$ 208,269	$ 262,587
Contract liabilities	$ 2,662	$ 124

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Changes in contract assets and contract liabilities primarily came from the timing differences between satisfaction of performance obligations and customer payments.

Beginning balance of contract liabilities reclassified to revenue amounted to NT$124 thousand and NT$2,482 thousand for the years ended December 31, 2024 and 2023, respectively.

(21) Gain (loss) arising from initial recognition of agricultural produce

Items	Years Ended December 31 2024	2023
Gain (loss) arising from initial recognition of agricultural produce for the period	$ 21,200	$ 103,457

This account refers to gains (losses) arising from the fair value of agricultural products less the costs of sale.

(22) Summary statement of employee benefits, depreciation and amortization expenses by function:

Nature	Year Ended December 31, 2024 Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits expense				
Payroll	$ 98,466	$ 43,324	$ -	$ 141,790
Labor and health insurance	9,000	4,072	-	13,072
Pension	3,450	1,643	-	5,093
Remuneration to directors	-	6,252	-	6,252
Other employee benefits expense	1,641	3,242	-	4,883
Depreciation	179,887	2,914	7,110	189,911
Amortization	-	2,003	-	2,003
Total	$ 292,444	$ 63,450	$ 7,110	$ 363,004

Nature	Year Ended December 31, 2023 Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits expense				
Payroll	$ 74,006	$ 34,791	$ -	$ 108,797
Labor and health insurance	7,457	3,657	-	11,114
Pension	2,872	1,402	-	4,274
Remuneration to directors	-	4,663	-	4,663
Other employee benefits expense	557	4,819	-	5,376
Depreciation	149,492	3,671	3,310	156,473
Amortization	-	1,937	-	1,937
Total	$ 234,384	$ 54,940	$ 3,310	$ 292,634

A. For the years ended December 31, 2024 and 2023, the Company had 199 and 182 employees and there were 6 and 5 non-employee directors, respectively.

B. As the Company is a publicly listed company on the stock exchange, the following information shall be disclosed:

(a) The average employee benefit expenses in 2024 equaled NT$854 thousand, which was calculated as follows: (Sum of employee benefit expenses - Sum of remuneration to directors in 2024)/(Number of employees - Number of non-employee directors in 2024).

The average employee benefit expenses in 2023 equaled NT$732 thousand, which was calculated as follows: (Sum of employee benefit expenses - Sum of remuneration to directors in 2023)/(Number of employees - Number of non-employee directors in 2023).

(b) The average employee payroll expense in 2024 equaled NT$735 thousand, which was calculated as follows: Sum of employee payroll expense in 2024/(Number of employees - Number of non-employee directors in 2024).

The average employee payroll expense in 2023 equaled NT$615 thousand, which was calculated as follows: Sum of employee payroll expense in 2023/(Number of employees - Number of non-employee directors in 2023).

(c) Compensation policy

i. The Company determines director remuneration in accordance with its Articles of Incorporation and the Rules for Managing Remuneration of Directors and the Management. The distribution is subject to approval by the Board of Directors. However, independent directors receive a fixed monthly remuneration and do not participate in the distribution of director remuneration. If directors concurrently serve as employees (such as President, Vice President, other executives or general staff), their employee compensation is determined based on the Company’s relevant policies and regulations.

ii. The salaries and ranks of the President and Vice President are determined based on their education, professional experience, language proficiency, and years of service. Additional factors include external income levels and internal salary equity within the Company. Compensation is determined in accordance with the Company’s remuneration policies and standards, subject to approval by the Chairperson, review by the Compensation Committee, and final approval by the Board of Directors.

iii. Employee compensation, both fixed and variable, includes base salary, year-end bonuses, performance bonuses, employee remuneration, and various benefits. Salaries are determined based on employees’ education, experience, years of service, and annual performance evaluations. The Company sets annual performance targets and conducts assessments based on goal achievement, which serve as the basis for year-end bonuses, promotions, salary adjustments, and performance improvement measures.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(d) The change in average employee payroll expense equaled 19.51% in 2024, which was calculated as follows: (Average employee payroll expense in 2024 - Average employee payroll expense in 2023) / Average employee payroll expense in 2023.

C. Pursuant to the Company's effective Articles of Incorporation, if there is a remaining balance after deducting accumulated losses from the current year's profit, compensation to employees shall be between 4% and 10% of the remaining balance, while the remuneration to directors and supervisors shall be capped at 4% of the remaining balance. For the years ended December 31, 2024 and 2023, the Company accrued 4% of income before income tax as compensation to employees and 3% as remuneration to directors and supervisors. If there is a change in the amounts after the annual financial statements were approved, the differences are recorded as a change in the accounting estimate in the following year.

D. Information on 2024 and 2023 compensation to employees and remuneration to directors and supervisors, as resolved in the Board of Directors' meetings in February 2025 and 2024, respectively, as well as relevant amounts in the financial statements, was as follows:

	Years Ended December 31			
	2024		2023	
Items	Compensation to Employees	Remuneration to Directors	Compensation to Employees	Remuneration to Directors and Supervisors
Amounts resolved	$ 5,130	$ 3,847	$ 4,341	$ 3,256
Amounts recognized in financial statements	5,130	3,847	4,341	3,256
Difference	$ -	$ -	$ -	$ -

The aforementioned compensation to employees was distributed in the form of cash.

E. Information regarding the compensation to employees and remuneration to directors and supervisors approved by the Board of Directors is available on the "Market Observation Post System" of the Taiwan Stock Exchange.

(23) Employee retirement benefits

The Labor Pension Act, which has been in effect since July 1, 2005, is a defined contribution retirement plan. According to the Act, the employer's monthly pension contribution rate shall not be less than 6% of the employee's monthly wages. For the years ended December 31, 2024 and 2023, the Company's pension contributions under the Labor Pension Act were NT$5,093 thousand and NT$4,274 thousand, respectively.

(24) Interest income

	Years Ended December 31	
Items	2024	2023
Interest on bank deposits	$ 2,130	$ 1,042
Other interest income	85	35
Total	$ 2,215	$ 1,077

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(25) Other income

Items	Years Ended December 31	
	2024	2023
Rental income	$ 412	$ 351
Other income		
Income from selling electricity	17,289	12,290
Manpower support income	491	374
Others	4,246	1,190
Subtotal	$ 22,026	$ 13,854
Total	$ 22,438	$ 14,205

(26) Other gains and losses

Items	Years Ended December 31	
	2024	2023
(Loss) gain on disposal of biological assets	$ (15,671)	$ (36,171)
Foreign exchange gain (loss), net	982	(601)
(Loss) gain on disposal of property, plant and equipment	(2,602)	(32)
Depreciation of electricity distribution and sales equipment	(7,110)	(3,310)
Impairment loss recognized on intangible assets	(4,739)	-
Others	(13)	(6)
Total	$ (29,153)	$ (40,120)

The Company recognized (loss) gain on disposal of biological assets due to sales or health reasons of NT$(15,671) thousand and NT$(36,171) thousand for the years ended December 31, 2024 and 2023, respectively.

(27) Finance costs

Items	Years Ended December 31	
	2024	2023
Interest on bank loans	$ 9,359	$ 14,633
Interest on lease liabilities	633	38
Subtotal	9,992	14,671
Less: Amount eligible for capitalization	(703)	(887)
Finance costs	$ 9,289	$ 13,784

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

Items	Years Ended December 31 2024	Years Ended December 31 2023
Current income tax payable	$ 23,666	$ 28,602
Income tax adjustments on prior years	67	-
Origination and reversal of temporary differences	728	246
Income tax expense (benefit)	$ 24,461	$ 28,848

(b) Income tax expense (benefit) associated with other comprehensive income: None.

B. Reconciliation of accounting profit and income tax expense is as follows:

Items	Years Ended December 31 2024	Years Ended December 31 2023
Income before income tax	$ 119,261	$ 100,930
Income tax expense calculated at the statutory rate	$ 23,852	$ 20,186
Tax effects of adjusting items:		
Effects of items not included in the calculation of taxable income		
Endowments	-	8,465
Loss (gain) on investments accounted for using the equity method	(422)	(402)
(Realized) unrealized impairment loss	(451)	(451)
(Realized) unrealized gain on sales	(400)	400
Loss (gain) on inventories including agricultural produce	22	51
(Realized) unrealized paid leaves	97	112
Others	968	241
Adjustments for prior years' tax	67	-
Net changes in deferred income tax	728	246
Income tax expense recognized in profit or loss	$ 24,461	$ 28,848

The Company is subject to a tax rate of 20%, while a 5% tax rate applies to undistributed earnings.

In July 2019, the amended Statute for Industrial Innovation announced by the President stipulated that from 2018 onwards, undistributed earnings used for the construction or acquisition of specific assets or technologies meeting a specified threshold may be deducted from the undistributed earnings. In calculating the tax on undistributed earnings, the Company deducted only the amount of capital expenditure that was actually invested.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Deferred income tax assets and liabilities arising from temporary differences, loss carryforwards and investment tax credits:

Items	Year Ended December 31, 2024 Beginning Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary difference				
Unrealized paid leaves	$ 583	$ 97	$ -	$ 680
Loss on investments accounted for using the equity method	2,635	(414)	-	2,221
Unrealized impairment loss	602	(451)	-	151
Employee benefits tax-accounting differences	365	18	-	383
Total	$ 4,185	$ (750)	$ -	$ 3,435
Deferred income tax liabilities				
Temporary difference				
Gain on inventories including agricultural produce	$ (292)	$ 22	$ -	$ (270)

Items	Year Ended December 31, 2023 Beginning Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary difference				
Unrealized paid leaves	$ 471	$ 112	$ -	$ 583
Loss on investments accounted for using the equity method	2,831	(196)	-	2,635
Unrealized impairment loss	1,053	(451)	-	602
Others	127	238	-	365
Total	$ 4,482	$ (297)	$ -	$ 4,185
Deferred income tax liabilities				
Temporary difference				
Gain on inventories including agricultural produce	$ (343)	$ 51	$ -	$ (292)

D. Items not recognized as deferred income tax assets: None.

E. The Company’s profit-seeking enterprise income tax returns were assessed and approved up to 2022.

(29) Basic earnings per share (EPS)

Items	Years Ended December 31 2024	2023
A. Basic EPS		
Net income for the period	$ 94,800	$ 72,082
Weighted average number of shares outstanding for the current period (in thousands)	64,914	58,605
Basic EPS (after tax) (NT$)	$ 1.46	$ 1.23
B. Diluted EPS		
Net income for the period	$ 94,800	$ 72,082
Weighted average number of shares outstanding for the current period (in thousands)	64,914	58,605
Weighted average number of shares after retrospective adjustment (in thousands)	64,914	58,605
Effect of employee compensation (Note)	135	232
Weighted average number of shares outstanding for the calculation of diluted EPS	65,049	58,837
Diluted EPS (after tax) (NT$)	$ 1.46	$ 1.23

(Note) If the Company may settle employee compensation in cash or shares, it shall assume the entire amount of the compensation will be settled in shares and include the resulting potential shares in the weighted average number of shares outstanding for the computation of diluted EPS, if the effect is dilutive. Such dilutive effect of the potential shares shall be included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

7. Related Party Transactions

(1) Parent company and the ultimate controller

The Company’s parent company is Kuo Hsing Poultry & Livestock Feeds Co., Ltd. As of December 31, 2024 and 2023, it held 41.93% and 47.18% of the Company’s shares, respectively.

(2) Names and relationships of related parties

Name	Relationship
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent company
Tai Da Eggs Technology Co., Ltd.	Subsidiary
JihShang Livestock Products Co., Ltd.	Subsidiary
Mountain River Livestock Products Co., Ltd.	Subsidiary
Fu Che Frozen Food Co., Ltd.	Sister company
Feng-Chun Lin	Other related party

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(3) Material transactions with related parties

A. Purchases

Type/Name of Related Party	Years Ended December 31 2024	2023
Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 296,527	$ 352,998
Subsidiaries	-	6
Other related party - Feng-Chun Lin	16,051	99,047
Total	$ 312,578	$ 452,051

The Company's purchase prices from related parties are mutually agreed upon by both parties. The transaction prices and payment terms are not significantly different from those of general suppliers.

B. Sales

Type/Name of Related Party	Years Ended December 31 2024	2023
Subsidiaries		
Tai Da Eggs Technology Co., Ltd.	$ 64,954	$ 76,299
Others	1,278	1,008
Sister company	20,563	13,453
Total	$ 86,795	$ 90,760

(a) The Company's selling prices to related parties are mutually agreed upon by both parties. The transaction prices and collection terms are not significantly different from those of general customers.

(b) The subsidiary, Tai Da Eggs Technology Co., Ltd., purchases raw materials from the Company and then resells the processed products back to the Company. These transactions are recorded as processing transactions, without recognizing associated sales and purchases.

C. Receivables from related parties (excluding loans to related parties)

Financial Statement Account	Type/Name of Related Party	December 31, 2024	December 31, 2023
Accounts receivable	Subsidiaries		
	Tai Da Eggs Technology Co., Ltd.	$ 32,704	$ 43,915
	Others	-	258
	Sister company	4,051	5,546
	Total	$ 36,755	$ 49,719
	Less: Loss allowance	-	-
	Net	$ 36,755	$ 49,719

(Continued)

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial Statement Account	Type/Name of Related Party	December 31, 2024	December 31, 2023
Other receivables	Subsidiaries	$ 129	$ 86
	Parent company	-	1,024
	Less: Loss allowance	-	-
	Net	$ 129	$ 1,110

(Concluded)

D. Payables to related parties (excluding loans from related parties)

Financial Statement Account	Type/Name of Related Party	December 31, 2024	December 31, 2023
Accounts payable	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 39,670	$ 66,429
	Subsidiary		
	Tai Da Eggs Technology Co., Ltd.	16,041	23,178
	Others	6	-
	Other related party	-	9,314
	Total	$ 55,717	$ 98,921
Other payables	Parent company	$ 405	$ -
	Sister company	-	576
	Total	$ 405	$ 576

E. Acquisition of biological assets

For the year ended December 31, 2024:

Type/Name of Related Party	Transaction Details	Transaction Amount
Other related party - Feng-Chun Lin	Bearer biological assets	$ 4,061

As stated in Note 6(10), the Company leased livestock housing and equipment from the parent company and acquired biological assets of NT$4,061 thousand from other related party - Feng-Chun Lin. As of December 31, 2024, the amount has been paid in full.

For the year ended December 31, 2023: None.

F. Lease agreements

(a) Acquisition of right-of-use assets:

		Years Ended December 31	
Item	Type of Related Party	2024	2023
Acquisition of right-of-use assets	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 38,885	$ -

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Lease liabilities:

Item	Type of Related Party	December 31, 2024	December 31, 2023
Lease liabilities	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 31,047	$ -

(c) Various expenses:

Item	Type of Related Party	Years Ended December 31 2024	2023
Interest expense	Parent company - Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	$ 610	$ -

The lease terms stated above conform to the contracts. Lease payments are made on a monthly or annual basis.

G. Others

(a) Various income

Type of Related Party	Years Ended December 31 2024	2023
Subsidiaries	$ 514	$ 515

It was primarily income from manpower support.

(b) Various expenses

Type of Related Party	Years Ended December 31 2024	2023
Parent company	$ 7,919	$ -
Subsidiaries	26,411	23,742
Sister company	3,561	3,505
Other related parties	26	-
Total	$ 37,917	$ 27,247

These were mainly outsourcing fees and miscellaneous expenses.

(c) Details of the Company’s participation in cash capital increases of related parties and increases in investments are as follows:

For the year ended December 31, 2024:

Investee	Increase in Investment No. of Shares	Amount	Shareholding Percentage Before Capital Increase	After Capital Increase
Subsidiary				
Dawushan Ise Foods Co., Ltd.	8,600	$ 86,000	53.50%	60.00%

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

For the year ended December 31, 2023:

	Increase in Investment		Shareholding Percentage	
Investee	No. of Shares	Amount	Before Capital Increase	After Capital Increase
Subsidiary				
Dawushan Ise Foods Co., Ltd.	5,350	$ 53,500	-	53.50%

(d) Endorsement and guarantee:

For business needs, the Company provides the following joint guarantees for related parties:

	Years Ended December 31	
Type of Related Party	2024	2023
Subsidiary		
- Tai Da Eggs Technology Co., Ltd.	$ -	$ 30,000

(4) Compensation to key management

	Years Ended December 31	
Items	2024	2023
Payroll and other short-term employee benefits	$ 20,683	$ 14,140
Post-employment benefits	442	406
Total	$ 21,125	$ 14,546

8. Pledged Assets

The following assets were pledged as collateral for loans:

Items	December 31, 2024	December 31, 2023
Other financial assets - current	$ -	$ 428
Land	208,111	200,102
Buildings	573,825	466,553
Machinery and equipment	211,803	233,362
Total	$ 993,739	$ 900,445

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) As of December 31, 2024 and 2023, the guarantee notes provided to banks by the Company for loans amounted to NT$91,000 thousand and NT$146,000 thousand, respectively.

10. Significant Disaster Loss

None.

11. Significant Subsequent Events

As stated in Note 6(9), to expand production capacity, the Company signed a contract in September 2024 to purchase livestock farmland, housing and equipment for a total of NT$90,000 thousand. In October 2024, the parties signed a supplementary agreement to amend the transaction details and reduce the purchase price to NT$88,000 thousand. Ownership transfer of the said property was completed on February 6, 2025. However, since the land is designated for agricultural and pastoral use and subject to legal restrictions, it could not be registered under the Company's name. Instead, the land was temporarily registered under individuals, totaling NT$49,000 thousand.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

12. Others

(1) Capital risk management

As the Company needs to maintain sufficient capital to support its expansion and upgrade of facilities and equipment, its capital management focuses on ensuring the availability of financial resources and operational plans to meet the demands for the next 12 months, including working capital, capital expenditures, research and development expenses, and debt repayments.

(2) Financial instruments

A. Financial risks of financial instruments

Financial risk management policies

The Company's daily operations are affected by various financial risks, including market risk (such as exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To mitigate these financial risks, the Company is committed to identifying, assessing, and avoiding market uncertainties in order to reduce the potential adverse impacts of market fluctuations on the Company's financial performance.

Important financial activities of the Company are reviewed by the Board of Directors in accordance with relevant rules and internal control systems. During the execution of financial plans, the Company must adhere strictly to the financial operating procedures related to the overall financial risk management and the division of responsibilities.

Nature and extent of significant financial risks

(a) Market risk

i. Exchange rate risk

(i) Exchange rate exposure and sensitivity analysis

	December 31, 2024					
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Book Value (NT$)	Changes	Impact on Profit and Loss	Impact on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
JPY:NTD	7,615	0.21	1,598	Appreciate by 1%	16	-

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

			December 31, 2023			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Book Value (NT$)	Changes	Impact on Profit and Loss	Impact on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
JPY:NTD	216,350	0.217	46,991	Appreciate by 1%	470	-

If the New Taiwan dollar strengthens against the aforementioned currency while all other variables remain constant, there would be an equal but opposite impact on the dollar amounts as of December 31, 2024 and 2023.

(ii) Foreign exchange gains (losses), including both realized and unrealized, of monetary items with significant influence due to exchange rate fluctuations amounted to NT$982 thousand and NT$(601) thousand for the years ended December 31, 2024 and 2023, respectively.

ii. Price risk

The Company did not invest in domestic or international marketable securities and was therefore not exposed to price risk from fluctuations in securities prices.

iii. Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risks at the end of the reporting period were as follows:

Items	Carrying Amount December 31, 2024	Carrying Amount December 31, 2023
Fair value interest rate risk:		
Financial assets	$ -	$ 100,000
Financial liabilities	(31,492)	(2,139)
Net	$ (31,492)	$ 97,861
Cash flows interest rate risk:		
Financial assets	$ 148,787	$ 197,759
Financial liabilities	(265,526)	(688,990)
Net	$ (116,739)	$ (491,231)

(i) Sensitivity analysis of fair value interest rate risk:

The Company has not classified any fixed-rate financial assets or liabilities as at fair value through profit or loss or through other comprehensive income, nor has it designated any derivatives (such as interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore, changes in interest rates as of the reporting date would not affect profit or loss or other comprehensive income.

(ii) Sensitivity analysis of cash flows interest rate risk:

The Company's variable-rate financial instruments are floating-rate assets (liabilities); therefore, changes in market interest rates would lead to changes in the effective interest rates and consequently fluctuations in future cash flows. An 1% increase in market interest rates would result in an increase (decrease) of NT$(1,167) thousand and NT$(4,912) thousand in net income for the years ended December 31, 2024 and 2023, respectively.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Company due to a counterparty's failure to meet contractual obligations. The Company's credit risk primarily arises from receivables generated by operating activities and bank deposits resulting from investing activities. Credit risk related to operations and financial credit risk are managed separately.

Credit risk related to operations

To maintain the quality of accounts receivable, the Company has established procedures for managing credit risk related to operations.

The risk assessment of individual customers takes into account various factors that may affect their ability to make payments, including their financial condition, the Company's internal credit ratings, historical transaction records, and current economic conditions.

Financial credit risk

The credit risk of bank deposits is assessed and monitored by the Company's finance department. Since the Company's counterparties and contract parties are reputable banks and financial institutions with investment-grade ratings or above, there are no significant concerns about their ability to fulfill their obligations, and therefore, there is no significant credit risk.

i. Credit concentration risk

As of December 31, 2024 and 2023, the top ten ending balances of accounts receivable accounted for 90% and 75% of the Company's overall accounts receivable balances, respectively. The credit concentration risk of the remaining accounts receivables was relatively insignificant.

ii. Measurement of ECLs

(i) Accounts receivable: The simplified approach is adopted. Please refer to Note 6(3) for details.

(ii) Criteria for determining whether credit risk has significantly increased: None.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(iii) Use of collateral and other credit enhancements to mitigate credit risk of financial assets: None.

(c) Liquidity risk

i. Overview:

The Company's objective in managing liquidity risk is to maintain sufficient cash and cash equivalents, as well as adequate bank financing facilities, to ensure ample financial flexibility for operations.

ii. Maturity analysis of financial liabilities:

The table below summarizes the Company's financial liabilities with agreed repayment periods by their maturity dates and undiscounted amounts:

	December 31, 2024						
Non-derivative financial liabilities	Within 6 Months	7 to 12 Months	1 to 2 Years	2 to 5 Years	Over 5 Years	Contractual Cash Flows	Carrying Amount
Notes payable	$ 100	$ -	$ -	$ -	$ -	$ 100	$ 100
Accounts payable (including related parties)	119,376	-	-	-	-	119,376	119,376
Other payables	76,826	6,412	-	-	-	83,238	83,238
Lease liabilities (including current portion)	5,307	5,221	10,316	11,827	-	32,671	31,492
Long-term loans (including current portion)	10,580	10,601	21,392	65,807	157,146	265,526	265,526
Total	$ 212,189	$ 22,234	$ 31,708	$ 77,634	$ 157,146	$ 500,911	$ 499,732

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	Over 20 Years	Undiscounted Lease Payments
Lease liabilities	$ 10,528	$ 22,143	$ -	$ -	$ -	$ -	$ 32,671

	December 31, 2023						
Non-derivative financial liabilities	Within 6 Months	7 to 12 Months	1 to 2 Years	2 to 5 Years	Over 5 Years	Contractual Cash Flows	Carrying Amount
Short-term loans	$ 66,000	$ -	$ -	$ -	$ -	$ 66,000	$ 66,000
Notes payable	100	-	-	-	-	100	100
Accounts payable (including related parties)	133,126	-	-	-	-	133,126	133,126
Other payables	65,518	7,597	-	-	-	73,115	73,115
Lease liabilities (including current portion)	1,033	568	419	203	-	2,223	2,139
Long-term loans (including current portion)	49,708	48,882	98,590	190,925	234,885	622,990	622,990
Total	$ 315,485	$ 57,047	$ 99,009	$ 191,128	$ 234,885	$ 897,554	$ 897,470

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	Over 20 Years	Undiscounted Lease Payments
Lease liabilities	$ 1,601	$ 622	$ -	$ -	$ -	$ -	$ 2,223

The Company does not expect the timing of cash flows in the maturity analysis to occur significantly earlier or the actual amounts to differ significantly.

B. Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 149,757	$ 198,580
Notes and accounts receivables (including related parties)	208,269	262,587
Other receivables (including related parties)	1,471	2,961
Other financial assets - current	-	100,428
Refundable deposits	1,218	2,398
Financial liabilities		
Financial liabilities at amortized cost		
Short-term loans	-	66,000
Notes and accounts payables (including related parties)	119,476	133,226
Other payables (including related parties)	83,238	73,115
Long-term loans (including current portion)	265,526	622,990
Lease liabilities (including current portion)	31,492	2,139

(3) Fair value information

A. Please refer to Note 12(3)C for information on the fair value of financial assets and financial liabilities not measured at fair value and Note 6(5) for fair value of biological assets.

B. The three levels of fair value hierarchy

The Company did not have financial instruments measured at fair value and investment property.

C. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, refundable deposits, short-term loans, payables, lease liabilities (including current and non-current), and long-term loans (including current portion), are reasonable approximations of their fair values.

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

D. Fair value hierarchy information: None.

E. Fair value valuation techniques for instruments measured at fair value: None.

(4) Transfer of financial assets: None.

(5) Offsetting of financial assets and financial liabilities: None.

13. Reclassification of Accounts

(1) In order to align with the presentation format of the financial statements for the year ended December 31, 2024, certain accounting items from the year 2023 have been reclassified as follows:

Accounting Items	Before Reclassification	Reclassification Adjustment	After Reclassification
Operating expenses			
General and administrative expenses	$ 54,589	$ (3,310)	$ 51,279
Non-operating income and expenses			
Other gains and losses	(36,810)	(3,310)	(40,120)

14. Additional Disclosures

(1) Information on significant transactions:

A. Financing provided to others: None.

B. Endorsement/guarantee provided: Table 1.

C. Marketable securities held at the end of period: None.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital: Table 2.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital: Table 3.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital: None.

I. Derivative financial instrument transactions: None.

(2) Information on investees: Table 4.

(3) Information on investments in mainland China: None.

(4) Information on major shareholders: List all shareholders with an ownership stake of 5% or more, including each shareholder’s name, the number of shares owned, and their percentages of ownership: Table 5.

Table 1

Dawushan Farm Technology Co., Ltd.
Endorsement/Guarantee Provided
As of December 31, 2024

(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given to Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent to Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries to Parent	Endorsement/ Guarantee Given to Companies in Mainland China
		Name	Relationship										
0	Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	Subsidiary of the Company	$ 836,738	$ 30,000	-	-	-	-	$ 836,738	Y	N	N

(Note): The aggregate amount of endorsement/guarantee provided is limited to 49% of the Company's net worth. The limit on endorsement/guarantee provided for a single party is limited to 49% of the Company's net worth.

Table 2

Dawushan Farm Technology Co., Ltd.
Acquisition of Individual Real Estate with Amount of at Least NT$300 Million or 20% of the Paid-in Capital
For the Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Buyer	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition and Status of Use	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Dawushan Ise Foods Co., Ltd.	Plant construction project	2024.6.20	$ 322,350 (tax included)	Based on contractual terms	TungSheng Construction Co., Ltd.	Unrelated party	-	-	-	-	Price comparison and negotiation	For production	None

(Note): The paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or a par value other than NT$10 per share, the transaction amount threshold of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company as presented in the balance sheet.

Table 3

Dawushan Farm Technology Co., Ltd.
Related Party Transactions with Purchase or Sales Amount of at Least NT$100 Million or 20% of the Paid-in Capital
For the Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Percentage to Total Purchases (Sales)	Payment/ Collection Terms	Unit Price	Payment/ Collection Terms	Ending Balance	Percentage to Total Notes/ Accounts Receivable (Payable)	
Dawushan Farm Technology Co., Ltd.	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent company	Purchase	$ 296,527	48.88%	1 to 2 months	-	-	$ 39,670	33.20%	Accounts payable

Table 4

Dawushan Farm Technology Co., Ltd.
Information on Investees
As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Investor	Investee	Business Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Share of Profit/Loss	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Ownership Percentage	Carrying Amount			
Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	Taoyuan City	Manufacturing and trading of processed egg products	$ 37,380	$ 37,380	3,761	68.39%	$ 25,521	$ 3,273	$ 2,238	
	JihShang Livestock Products Co., Ltd.	Pingtung County	Distribution of processed products	1,000	1,000	100	100.00%	2,189	40	40	
	Mountain River Livestock Products Co., Ltd.	Pingtung County	Distribution of processed products	1,000	1,000	100	100.00%	971	(5)	(5)	
	Dawushan Ise Foods Co., Ltd.	Changhua County	Trading of egg products	139,500	53,500	13,950	60.00%	139,339	(283)	(165)	
	Total			178,880	92,880			168,020	3,025	2,108	

Table 5

Dawushan Farm Technology Co., Ltd. and Subsidiaries
Information on Major Shareholders
As of December 31, 2024

Name of Major Shareholders	No. of Shares Owned	Percentage of Ownership
HsiangCheng Investment Co., Ltd.	18,222,293	26.66%
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	10,440,316	15.27%
TaShu Investment Co., Ltd.	4,540,780	6.64%
Cathay Sustainability Private Equity Fund Limited Partnership	4,396,363	6.43%

Note: The information in this table is based on data provided by the Taiwan Depository & Clearing Corporation (TDCC) as of the last business day of each quarter. It includes shareholders holding 5% or more of the Company's common and preferred stocks that have been fully dematerialized and registered (including treasury stocks). The share capital recorded in the Company's financial report may differ from the actual number of dematerialized and registered shares due to differences in calculation methods.

15. Segment Information

Information on operational segments has been disclosed in the consolidated financial statements. Therefore, the information is not presented in the parent company only financial statements.

TABLE OF CONTENTS FOR STATEMENTS OF MAJOR ACCOUNTING ITEMS

Dawushan Farm Technology Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2024

In Thousands of New Taiwan Dollars
and Foreign Currencies

Item	Description	Amount	Note
Cash	Cash on hand	$ 738	
Bank deposits	Checking deposits	$ 232	
	Demand deposits - NT dollars	147,189	
	Demand deposits - foreign currencies	1,598	JPY 7,615
Subtotal of bank deposits		$ 149,019	
Total		$ 149,757	

(Note) Exchange rates
JPY/NTD = 0.210

Dawushan Farm Technology Co., Ltd.
Statement of Notes Receivable
December 31, 2024

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Company A	Notes receivable	$ 714	
Less: Loss allowance		-	
Net		$ 714	

Dawushan Farm Technology Co., Ltd.
Statement of Accounts Receivable
December 31, 2024

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Unrelated parties:			
Company B	Trade receivable	$ 54,163	
Company C	Trade receivable	28,747	
Company D	Trade receivable	17,815	
Company E	Trade receivable	13,515	
Company F	Trade receivable	12,109	
Others	(Items with balances less than 5% of this account are shown in aggregate)	44,580	
Total		$ 170,929	
Less: Loss allowance		(129)	
Net		$ 170,800	
Related parties:			
Tai Da Eggs Technology Co., Ltd.	Trade receivable	$ 32,704	
Fu Che Frozen Food Co., Ltd.	Trade receivable	4,051	
Total		$ 36,755	
Less: Loss allowance		-	
Net		$ 36,755	

Dawushan Farm Technology Co., Ltd.
Statement of Other Receivables
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Other receivables - Unrelated parties	Receivables from sale of electricity	$ 1,341	
	Other receivables	1	
	Subtotal	1,342	
Other receivables - Related parties	Receivables for manpower support	129	
	Total	$ 1,471	

Dawushan Farm Technology Co., Ltd.
Statement of Inventories
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials (supplies)	Cardboard boxes, feed, etc.	$ 12,143	$ 12,138	
Work in progress	Raw eggs, etc.	267	330	
Finished goods	Fresh eggs, processed egg products, etc.	20,382	22,520	
Subtotal		32,792	34,988	
Less: allowance for inventory write-downs		(1,606)	-	
Net		$ 31,186	$ 34,988	

Dawushan Farm Technology Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

For the Year Ended December 31, 2024

In Thousands of Shares; In Thousands of New Taiwan Dollars

	Beginning Balance		Increase		Decrease		Ending Balance			Market Value or Net Equity Value			
Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ownership Percentage	Amount	Unit Price	Net Equity	Collateral/ Pledge	Note
Tai Da Eggs Technology Co., Ltd.	3,761	$ 21,281	-	$ 4,240	-	$ -	3,761	68.39	$ 25,521	6.79	$ 25,521	None	
JihShang Livestock Products Co., Ltd.	100	2,149	-	40	-	-	100	100.00	2,189	21.89	2,189	None	
Mountain River Livestock Products Co., Ltd.	100	976	-	-	-	5	100	100.00	971	9.71	971	None	
Dawushan Ise Foods Co., Ltd.	5,350	53,508	8,600	86,000	-	169	13,950	60.00	139,339	9.99	139,339	None	
Total		$ 77,914		$ 90,280		$ 174			$168,020		$168,020		

(Note): An increase of NT$90,280 thousand this year included purchases of NT$86,000 thousand, the gain on investments accounted for using the equity method of NT$2,278 thousand and realized gain on sales of NT$2,002 thousand.

A decrease of NT$174 thousand this year included the loss on investments accounted for using the equity method of NT$170 thousand and a deduction of NT$4 thousand to capital surplus due to subscriptions not based on the shareholding ratio.

Dawushan Farm Technology Co., Ltd.

Statement of Refundable Deposits

December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Company G	Lease deposit	$ 340	
Company H	Lease deposit	300	
Company I	Lease deposit	175	
Company J	Lease deposit	168	
Company K	Lease deposit	100	
Others	(Items with balances less than 5% of this account are shown in aggregate)	135	
Total		$ 1,218	

Dawushan Farm Technology Co., Ltd.

Statement of Notes Payable

December 31, 2024

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Company L	Trade notes payable	$ 100	
Company P	Trade notes payable	-	
Total		$ 100	

Dawushan Farm Technology Co., Ltd.
Statement of Accounts Payable
December 31, 2024

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Unrelated parties:			
Company L	Trade payable	$ 32,158	
Company M	Trade payable	4,818	
Company N	Trade payable	3,771	
Others	(Items with balances less than 5% of this account are shown in aggregate)	22,912	
Total		$ 63,659	
Related parties:			
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Trade payable	$ 39,670	
Tai Da Eggs Technology Co., Ltd.	Trade payable	16,041	
JihShang Livestock Products Co., Ltd.	Trade payable	6	
Total		$ 55,717	

Dawushan Farm Technology Co., Ltd.
Statement of Long-term Loans
December 31, 2024

In Thousands of New Taiwan Dollars

Creditor	Description	Loan Balance	Contract Duration	Collateral or Guarantee	Note
North Kaohsiung Branch, Taiwan Cooperative Bank	Mortgage loan	$ 19,833	2011.11.30-2029.11.30	Land and buildings	
Pingtung Branch, First Commercial Bank	Mortgage loan	127,257	2022.10.07-2037.10.07	Land and machinery and equipment	
Pingtung Branch, Chang Hwa Commercial Bank	Mortgage loan	79,323	2022.06.17-2040.06.17	Machinery and equipment	
Pingtung Branch, Mega International Commercial Bank	Mortgage loan	39,113	2021.05.20-2036.05.20	Land, plant, machinery and equipment	
Total		265,526			
Less: Current portion		(21,181)			
Balance of long-term loans		$ 244,345			
Period-end interest rate range		2.05%-2.095%			

Dawushan Farm Technology Co., Ltd.

Statement of Lease Liabilities

December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Lease Term	Discount Rate	Amount
Livestock housing and equipment	Primarily for operation	1 to 4 years	2.07%	$ 31,047
Transportation equipment	Primarily for operation	1 to 3 years	1.95%	445
Total				31,492
Less: Current portion				(9,915)
Lease liabilities - non-current				$ 21,577

Dawushan Farm Technology Co., Ltd.

Statement of Operating Revenue

For the Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Item	Quantity (In thousands of catties)	Amount	Note
Revenue from egg products	20,261	$ 1,070,112	
Others	(Items with balances less than 10% of this account are shown in aggregate)	147,861	
Total		1,217,973	
Less: Sales returns		(30)	
Sales discounts and allowance		(32,736)	
Net operating revenue		$ 1,185,207	

Dawushan Farm Technology Co., Ltd.

Statement of Operating Costs

For the Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount
Supplies, beginning balance	$ 9,116
Supplies purchased	512,462
Other additions - Gain on physical inventory	59
Supplies, ending balance	(10,842)
Other deductions - Requisition transferred to expenses	(1)
Other deductions - Sale of supplies	(196)
Supplies consumed	510,598
Direct labor	57,063
Manufacturing overhead	315,406
Manufacturing cost	883,067
Work in progress, beginning balance	188
Work in progress, ending balance	(267)
Work in progress purchased	28,779
Other deductions - Transferred to biological assets	(137,526)
Other deductions - Obsolescence	(39)
Cost of finished goods	774,202
Finished goods, beginning balance	10,868
Finished goods, ending balance	(20,077)
Finished goods purchased	65,374
Other additions - Outsourced processing	26,411
Other deductions - Loss on physical inventory	(217)
Other deductions - Obsolescence	(404)
Other deductions - Requisition transferred to expenses, etc.	(1,617)
Other additions - Gain (loss) arising from initial recognition of agricultural produce	21,200
Cost of sale of finished goods	875,740
Cost adjustment items	
Cost of sale of supplies	196
Sale of consumable biological assets	6,499
Loss (gain) on physical inventory	158
Obsolescence	443
Revenue from sale of scrap	(2,282)
Outsourced processing costs	3,561
Other deductions - Others	(38)
Total operating costs	$ 884,277

Dawushan Farm Technology Co., Ltd.
Statement of Manufacturing Overheads
For the Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount
Indirect labor	$ 48,459
Repair and maintenance expense	17,425
Utilities expense	17,810
Depreciation	179,887
Other expenses (Note)	51,825
Total	$ 315,406

(Note): Items with balances less than 2% of this account are shown in aggregate.

Dawushan Farm Technology Co., Ltd.
Statement of Sales and Marketing Expenses
For the Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount	
Payroll expense	$	9,355
Freight expense		56,801
Advertisement expense		37,228
Other expenses (Note)		12,370
Total	$	115,754

(Note): Items with balances less than 2% of this account are shown in aggregate.

Dawushan Farm Technology Co., Ltd.
Statement of General and Administrative Expenses
For the Year Ended December 31, 2024
In Thousands of New Taiwan Dollars

Item	Amount
Payroll expense	$ 32,805
Insurance expense	3,393
Depreciation	1,722
Various amortization	2,003
Meal expense	1,909
Professional service fees	3,590
Other expenses (Note)	21,642
Total	$ 67,064

(Note): Items with balances less than 2% of this account are shown in aggregate.

Dawushan Farm Technology Co., Ltd.

Statement of Research and Development Expenses

For the Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount
Payroll expense	$ 7,416
Insurance expense	675
Pension	357
Other expenses (Note)	1,805
Total	$ 10,253

(Note): Items with balances less than 2% of this account are shown in aggregate.