

DAWUSHAN FARM TECHNOLOGY CO., LTD.

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

(Stock Code: 6952)

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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, 2025, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the year 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, 2025, and its parent company only financial performance and cash flows for the year 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 Standards on Auditing of the Republic of China. 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.

Emphasis of matter - Fire loss

As disclosed in Note 10 to the parent company only financial statements, a portion of the Company's production facilities was damaged by fire on March 12, 2025. As a result, the Company recognized a disaster loss of NT\$36,470 thousand for the damage to its plant and equipment. The Company is currently in the process of filing an insurance claim, and no insurance compensation has been recognized as of the reporting date. Our audit conclusion is not modified in respect of this matter.

Emphasis of matter - Organizational restructuring

As disclosed in Note 6(25) to the parent company only financial statements, on April 1, 2025, the Company acquired 51% equity interest in Fu Che Frozen Food Co., Ltd. from its parent company, Kuo Hsing Poultry & Livestock Feeds Co., Ltd. This transaction was an organizational restructuring under common control. The parent company only financial statements for the comparative periods have been presented as if the investment had been held from the beginning of those periods. In preparing the parent company only financial statements for the year ended December 31, 2025, the Company restated the comparative parent company only financial statements on a retrospective basis. Our audit conclusion is not modified in respect of this matter.

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, 2025 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, 2025 are stated as follows:

Existence and occurrence of revenue recognition for fresh egg products

Description of the matter

For the accounting policies related to revenue recognition, please refer to Note 4(23) to the parent company only financial statements. For the accounting items of operating revenue, please refer to Note 6(16).

Operating revenue is one of the primary indicators used to assess management's performance and is also a matter of significant interest to users of the financial statements. As revenue from the sale of fresh egg products represents the largest proportion of the Company's total operating revenue, we identified the existence and occurrence of revenue recognition for fresh egg products as one of the key audit matters in the current year's audit.

Audit procedures performed

The primary audit procedures we performed in response to the above key audit matter include:

1. To understand, evaluate, and test the effectiveness of the design and implementation of internal controls over the recognition of sales revenue.
2. To obtain detailed listings of sales transactions and perform substantive testing by examining supporting documents, including customer orders, shipping documents, and sales invoices.
3. To perform external confirmations of accounts receivable.
4. To review significant sales returns and allowances occurring subsequent to year-end and examine the related supporting documentation.

Business combination under common control (organizational restructuring)

Description of the matter

For the accounting policies related to business combinations under common control (organizational restructuring), please refer to Note 4(25) to the parent company only financial statements. For the accounting items related to business combinations, please refer to Note 6(25).

On April 1, 2025, the Company acquired 51% equity interest in Fu Che Frozen Food Co., Ltd. from its parent company, Kuo Hsing Poultry & Livestock Feeds Co., Ltd. This transaction was an organizational restructuring under common control. As this represented a significant transaction during the reporting period, we identified the organizational restructuring as one of the key audit matters in the current year's audit.

Audit procedures performed

The primary audit procedures we performed in response to the above key audit matter include:

1. To interview management in order to understand the purpose of the organizational restructuring and the basis for determining the consideration.
2. To review the minutes of Board meetings and the share transfer agreement, and inspect supporting documentation for the payment of the consideration.
3. To assess the competence and objectivity of the independent experts engaged by management and review the fairness opinion issued by those experts.
4. To review the accounting treatment of the transaction and evaluate the adequacy of its presentation and disclosures in the financial statements.

Other matter - scope of audit

The parent company only financial statements of the Company for the year ended December 31, 2024 prior to restatement were audited by other auditors, who issued an unqualified opinion on February 18, 2025. As disclosed in Note 6(25) to the parent company only financial statements, the Company restated its parent company only financial statements for the year ended December 31, 2024 as a result of an organizational restructuring. We performed the necessary audit procedures on the 2024 financial statements of Fu Che Frozen Food Co., Ltd. and on the adjustment entries made in connection with the restatement of the parent company only financial statements. In our opinion, the aforementioned financial statements of Fu Che Frozen Food Co., Ltd. for the year ended December 31, 2024 and the related adjustment entries are fairly stated and have been appropriately accounted for.

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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China. 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 parent company only financial statements.

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).

We also provide governance bodies with a declaration that we have complied with the Norm regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of the Company's parent company only financial statements for the year ended December 31, 2025. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audit resulting in this independent auditors' report are A-Shen Liao and Chien-Chih Wu.

PricewaterhouseCoopers Taiwan

March 6, 2026

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

			December 31, 2025		(Restated) December 31, 2024	
Assets		Note	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 93,913	4	\$ 149,757	6
1150	Notes receivable, net	6(2)	3,235	-	714	-
1170	Accounts receivable, net	6(2)	226,819	9	170,800	7
1180	Accounts receivable - related parties, net	6(2),7	46,626	2	36,755	1
1200	Other receivables	7	389	-	1,471	-
1220	Current tax assets		142	-	-	-
130X	Inventories	6(3)	33,247	1	31,186	1
1400	Biological assets - current	6(5),7	8,855	-	11,429	-
1410	Prepayments		18,183	1	15,109	1
11XX	Total current assets		431,409	17	417,221	16
Non-current assets						
1550	Investments accounted for using the equity method	6(4),7	540,474	21	571,937	22
1600	Property, plant and equipment	6(6),8	1,389,711	54	1,433,802	55
1755	Right-of-use assets	6(7),7	80,291	3	31,337	1
1780	Intangible assets	6(8)	1,016	-	48,374	2
1830	Biological assets - non-current	6(5),7	91,891	4	119,402	4
1840	Deferred tax assets	6(23)	25,958	1	3,435	-
1920	Refundable deposits		754	-	1,218	-
15XX	Total non-current assets		2,130,095	83	2,209,505	84
1XXX	Total assets		\$ 2,561,504	100	\$ 2,626,726	100

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DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Liabilities and Equity		Note	December 31, 2025		(Restated) December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6(9),8	\$ 310,000	12	\$ -	-
2130	Contract liabilities - current	6(16)	359	-	2,662	-
2150	Notes payable		100	-	100	-
2170	Accounts payable		35,317	1	63,659	3
2180	Accounts payable - related parties	7	87,650	3	55,717	2
2200	Other payables	6(10),7	95,046	4	83,238	3
2230	Current tax liabilities		-	-	9,116	-
2250	Provisions - current		-	-	3,400	-
2280	Lease liabilities - current	7	15,366	1	9,915	1
2320	Current portion of long-term loans	6(11),8	64,309	3	21,181	1
21XX	Total current liabilities		<u>608,147</u>	<u>24</u>	<u>248,988</u>	<u>10</u>
Non-current liabilities						
2540	Long-term loans	6(11),8	458,572	18	244,345	9
2570	Deferred tax liabilities	6(23)	659	-	270	-
2580	Lease liabilities - non-current	7	65,908	2	21,577	1
25XX	Total non-current liabilities		<u>525,139</u>	<u>20</u>	<u>266,192</u>	<u>10</u>
2XXX	Total liabilities		<u>1,133,286</u>	<u>44</u>	<u>515,180</u>	<u>20</u>
Equity						
Share capital						
3110	Common shares	6(13)	683,450	27	683,450	26
	Capital surplus	6(14)				
3200	Capital surplus		467,110	18	585,286	22
	Retained earnings	6(15)				
3310	Legal reserve		64,096	3	54,616	2
3350	Unappropriated earnings		262,575	10	420,788	16
3500	Treasury shares	6(13)	(49,013)	(2)	(36,511)	(1)
35XX	Predecessor interests under common control		<u>-</u>	<u>-</u>	<u>403,917</u>	<u>15</u>
3XXX	Total equity		<u>1,428,218</u>	<u>56</u>	<u>2,111,546</u>	<u>80</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant disaster loss	10				
3X2X	Total liabilities and equity		<u>\$ 2,561,504</u>	<u>100</u>	<u>\$ 2,626,726</u>	<u>100</u>

(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, 2025 and 2024
(In Thousands of New Taiwan Dollars,
Except for earnings (loss) per share, which is expressed in New Taiwan Dollars)

Item	Note	2025		(Restated) 2024	
		Amount	%	Amount	%
4000 Operating revenue	6(16),7	\$ 1,146,801	100	\$ 1,185,207	100
5000 Operating costs	6(3,21,22),7	(989,347)	(87)	(884,277)	(75)
5850 Gain arising from initial recognition of biological assets and agricultural produce		44,508	4	21,200	2
5900 Gross profit		201,962	17	322,130	27
5910 Unrealized gain on sales		(464)	-	-	-
5920 Realized gain on sales		-	-	2,002	-
5950 Gross profit, net		201,498	17	324,132	27
Operating expenses	6(8,21,22),7				
6100 Sales and marketing expenses		(114,848)	(10)	(115,754)	(10)
6200 General and administrative expenses		(73,361)	(6)	(67,064)	(5)
6300 Research and development expenses		(10,188)	(1)	(10,253)	(1)
6450 Expected credit gain (loss)	12(2)	18	-	(119)	-
6000 Total operating expenses		(198,379)	(17)	(193,190)	(16)
6900 Operating income		3,119	-	130,942	11
Non-operating income and expenses					
7100 Interest income	6(17)	1,524	-	2,215	-
7010 Other income	6(18)	20,134	2	22,438	2
7020 Other gains and losses	6(19)	(116,330)	(10)	(29,153)	(2)
7050 Finance costs	6(6,20),7	(12,514)	(1)	(9,289)	(1)
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(4)	9,226	1	48,088	4
7000 Total non-operating income and expenses		(97,960)	(8)	34,299	3
7900 (Loss) income before income tax		(94,841)	(8)	165,241	14
7950 Income tax benefit (expense)	6(23)	22,356	2	(24,461)	(2)
8200 Net (loss) income		<u>(\$ 72,485)</u>	<u>(6)</u>	<u>\$ 140,780</u>	<u>12</u>
8500 Total comprehensive (loss) income		<u>(\$ 72,485)</u>	<u>(6)</u>	<u>\$ 140,780</u>	<u>12</u>
(Loss) earnings per share (NT\$)	6(24)				
9750 Earnings per share - basic		(\$ 1.08)		\$ 2.17	
9850 Earnings per share - diluted		(\$ 1.08)		\$ 2.16	

(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, 2025 and 2024
(In Thousands of New Taiwan Dollars)

		Retained Earnings					Predecessor Interests under Common Control	Total Equity
	Note	Common Shares	Capital Surplus	Legal Reserve	Unappropriated Earnings	Treasury Shares		
<u>For the year ended December 31, 2024 (Restated)</u>								
Balance as of January 1, 2024 (Restated)		\$ 607,500	\$ 230,350	\$ 47,408	\$ 401,541	\$ -	\$ 365,587	\$1,652,386
Net income for the period		-	-	-	94,800	-	45,980	140,780
Total comprehensive income for the period		-	-	-	94,800	-	45,980	140,780
Appropriation of 2023 earnings								
Legal reserve		-	-	7,208	(7,208)	-	-	-
Cash dividends	6(15)	-	-	-	(68,345)	-	-	(68,345)
Issuance of common shares for cash	6(13,14)	75,950	354,940	-	-	-	-	430,890
Cash dividends distributed by subsidiaries before organizational restructuring	6(4)	-	-	-	-	-	(7,650)	(7,650)
Repurchase of treasury shares	6(13)	-	-	-	-	(36,511)	-	(36,511)
Changes in percentage of ownership interests in subsidiaries	6(4,14)	-	(4)	-	-	-	-	(4)
Balance as of December 31, 2024 (Restated)		<u>\$ 683,450</u>	<u>\$ 585,286</u>	<u>\$ 54,616</u>	<u>\$ 420,788</u>	<u>(\$ 36,511)</u>	<u>\$ 403,917</u>	<u>\$2,111,546</u>
<u>For the year ended December 31, 2025</u>								
Balance as of January 1, 2025 (Restated)		\$ 683,450	\$ 585,286	\$ 54,616	\$ 420,788	(\$ 36,511)	\$ 403,917	\$2,111,546
Net loss for the period		-	-	-	(80,812)	-	8,327	(72,485)
Total comprehensive loss for the period		-	-	-	(80,812)	-	8,327	(72,485)
Appropriation of 2024 earnings								
Legal reserve		-	-	9,480	(9,480)	-	-	-
Cash dividends	6(15)	-	-	-	(67,345)	-	-	(67,345)
Cash distribution from capital surplus	6(14)	-	(67,345)	-	-	-	-	(67,345)
Repurchase of treasury shares	6(13)	-	-	-	-	(12,502)	-	(12,502)
Difference between the acquisition/disposal price and carrying amount of subsidiary equity interests	6(4,14)	-	-	-	(576)	-	-	(576)
Cash dividends distributed by subsidiaries before organizational restructuring	6(4)	-	-	-	-	-	(38,250)	(38,250)
Effect of organizational restructuring	6(14,25)	-	(50,831)	-	-	-	(373,994)	(424,825)
Balance as of December 31, 2025		<u>\$ 683,450</u>	<u>\$ 467,110</u>	<u>\$ 64,096</u>	<u>\$ 262,575</u>	<u>(\$ 49,013)</u>	<u>\$ -</u>	<u>\$1,428,218</u>

(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, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	Note	2025	(Restated) 2024
<u>Cash flows from operating activities</u>			
(Loss) income before income tax		(\$ 94,841)	\$ 165,241
Adjustments			
Non-cash income and expense items			
Depreciation	6(5,6,7,21)	199,915	189,911
Amortization	6(8,21)	5,128	2,003
Expected credit (gain) loss	12(2)	(18)	119
Interest expense	6(20)	12,514	9,289
Interest income	6(17)	(1,524)	(2,215)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(4)	(9,226)	(48,088)
Loss on disposal of property, plant and equipment	6(19)	1,138	2,602
Loss on disposal of biological assets	6(19)	60,670	15,671
Disaster loss	6(19)	35,970	-
Impairment loss on non-financial assets	6(19)	-	4,739
Unrealized gain on sales	6(4)	464	-
Realized gain on sales	6(4)	-	(2,002)
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		(2,521)	3,225
Accounts receivable		(56,001)	50,974
Accounts receivable - related parties		(9,871)	-
Other receivables		1,082	1,451
Inventories		(2,061)	(11,014)
Biological assets - current		(8,855)	(114,307)
Prepayments		(3,074)	(5,843)
Net changes in operating liabilities			
Contract liabilities - current		(2,303)	2,538
Accounts payable		(28,342)	29,454
Accounts payable - related parties		31,933	(43,204)
Other payables		5,043	11,717
Provisions - current		-	485
Cash generated from operations		135,220	262,746
Interest received		1,524	2,254
Income tax paid		(9,036)	(43,127)
Interest paid		(12,191)	(9,633)
Net cash generated by operating activities		115,517	212,240
<u>Cash flows from investing activities</u>			
Acquisition of investments accounted for using the equity method	6(4,25)	(384,100)	(86,000)
Return of shares upon liquidation of investments accounted for using the equity method	6(4)	2,999	-
Acquisition of biological assets - non-current		(138,581)	(42,501)
Disposal of biological assets - non-current		15,335	6,542
Acquisition of property, plant and equipment	6(26)	(75,570)	(133,399)
Disposal of property, plant and equipment		931	-
Acquisition of intangible assets	6(8)	(95)	(351)
Decrease in refundable deposits		464	1,180
Decrease in other financial assets - current		-	100,428
Net cash used in investing activities		(578,617)	(154,101)

(Continued)

DAWUSHAN FARM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	Note	2025	(Restated) 2024
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(27)	\$ 837,000	\$ 10,000
Decrease in short-term loans	6(27)	(527,000)	(76,000)
Proceeds from long-term loans	6(27)	300,000	-
Repayment of long-term loans	6(27)	(42,645)	(357,464)
Repayment of lease principal	6(27)	(12,907)	(9,532)
Cost of treasury shares repurchased	6(13)	(12,502)	(36,511)
Issuance of common shares for cash	6(13)	-	430,890
Distribution of cash dividends and cash distribution from capital surplus	6(14,15)	(134,690)	(68,345)
Net cash generated by (used in) financing activities		<u>407,256</u>	<u>(106,962)</u>
Net decrease in cash and cash equivalents		(55,844)	(48,823)
Cash and cash equivalents at beginning of period	6(1)	<u>149,757</u>	<u>198,580</u>
Cash and cash equivalents at end of period	6(1)	<u>\$ 93,913</u>	<u>\$ 149,757</u>

(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, 2025 and 2024
(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.
- (2) The Company’s shares were listed on the Taiwan Stock Exchange on June 13, 2024, under the stock code 6952.
- (3) Kuo Hsing Poultry & Livestock Feeds Co., Ltd. directly and indirectly holds 42.43% of the Company’s shares and is the ultimate parent company of the Company.

2. Date and Procedures of Authorization of Financial Statements

The parent company only financial statements for the years ended December 31, 2025 and 2024 were approved and authorized for issue in the Board of Directors’ meeting on March 6, 2026.

3. Newly Issued or Revised Standards and Interpretations

- (1) Impact of adopting newly issued or amended International Financial Reporting Standards (IFRS) Accounting Standards endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC)

The table below summarized new, revised or amended standards and interpretations of IFRS Accounting Standards 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 International Accounting Standards Board (IASB)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

Upon assessment, the Company determined that the adoption of above standards and interpretations had no material impact on its financial position and financial performance.

- (2) Impact of not yet adopting new or amended IFRS Accounting Standards endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRS Accounting Standards endorsed by the FSC to take effect for annual periods beginning on January 1, 2026:

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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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
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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Upon assessment, the Company determined that the adoption of above standards and interpretations had no material impact on its financial position and financial performance.

(3) Impact of IFRS Accounting Standards issued by the IASB but not yet endorsed by the FSC

The table below summarized new, revised or amended standards and interpretations of IFRS Accounting Standards 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 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	Yet to be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The FSC announced in a press release dated September 25, 2025, that publicly issued companies will be required to adopt IFRS 18 beginning January 1, 2028. Furthermore, companies seeking early adoption may choose to do so, provided that the FSC has officially endorsed the Standard.

Except as described below, the Company has assessed that the above standards and interpretations have no material impact on its financial position and financial performance. The related impact amounts will be disclosed upon completion of the assessment.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income. It also introduces new disclosure requirements for management-defined performance measures and strengthens the principles of aggregation and disaggregation in the primary financial statements and notes.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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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, 2025 and 2024 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 financial statements in conformity with the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations (collectively, the “IFRSs”) endorsed and issued into effect 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

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e., the functional currency). The parent company only financial statements are presented in the Company’s functional currency, New Taiwan dollars (NT\$).

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. Exchange differences arising from such transactions are recognized in profit or loss for the period.
- 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. Foreign currency non-monetary assets and liabilities that are measured at fair value through profit or loss are remeasured using the spot exchange rate at the balance sheet date, and the resulting exchange differences are recognized in profit or loss for the period. For those measured at fair value through other comprehensive income, the exchange differences arising from remeasurement using the spot exchange rate at the balance sheet date are recognized in other comprehensive income. Non-monetary items not measured at fair value are translated using the historical exchange rate at the date of the initial transaction.
- D. All exchange gains and losses are presented under “other gains and losses” in the statement of profit or loss.

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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(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 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; or
- (d) The Company does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

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

(5) Accounts and notes receivable

- A. Refers to notes and accounts receivable that represents an unconditional right to receive consideration in exchange for the transfer of goods or services in accordance with contractual terms.
- B. For short-term, non-interest-bearing notes and accounts receivable, as the effect of discounting is immaterial, the Company measures them at the original invoice amount.

(6) Impairment of financial assets

At each balance sheet date, the Company assesses its financial assets measured at amortized cost for impairment by considering all reasonable and supportable information, including forward-looking data. For financial assets for which credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For those with a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable or contract assets that do not contain a significant financing component, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

(7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the asset expire.

(8) Lessor's lease transactions - Operating leases

Lease income from operating leases, net of any incentives granted to the lessee, is recognized in profit or loss on a straight-line basis over the lease term.

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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(9) Inventories

- A. Inventories are measured at the lower of cost and net realizable value. Cost is 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 (allocated based on normal production capacity) and does not include borrowing costs. The comparison between cost and net realizable value is performed on an item-by-item basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- B. Inventories of agricultural produce are measured at fair value less costs to sell.

(10) Investments accounted for using the equity method - subsidiaries

- A. A subsidiary is an 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.
- D. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control (transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners. Any difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
- E. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the amounts attributable to owners of the parent in the consolidated financial statements. The equity presented in the parent company only financial statements shall be the same as the equity attributable to owners of the parent in the consolidated financial statements.

(11) Biological assets

Biological assets whose fair value cannot be reliably measured shall be measured at cost less accumulated depreciation and accumulated impairment losses.

(12) Property, plant and equipment

- A. Property, plant and equipment are stated at cost with borrowing costs incurred during the construction period capitalized.

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 NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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- 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. Subsequent to initial recognition, property, plant and equipment are measured using the cost model. Except for land, which is not depreciated, depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Significant components of property, plant and equipment are depreciated separately.
- D. 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 and structures	2 to 35 years
Machinery and equipment	2 to 20 years
Other equipment	2 to 22 years

(13) Lessee's lease transactions - Right-of-use assets / Lease liabilities

- A. At the commencement date, the Company recognizes a right-of-use asset and a lease liability for the lease. For leases that qualify as short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease payments include fixed payments less any lease incentives receivable.

 Subsequently, lease liabilities are measured at amortized cost using the interest method, with interest expense recognized over the lease term. When changes in the lease term or lease payments occur that do not arise from lease modifications, the lease liability is remeasured and the corresponding adjustment is made to the right-of-use asset.
- C. Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liability.

 Subsequently, the assets are measured using the cost model and depreciated over the shorter of the lease term and the useful life of the underlying asset. When the lease liability is remeasured, the right-of-use asset is adjusted by the corresponding amount.
- D. For lease modifications that decrease the scope of the lease, the lessee decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between the remeasured lease liability and the adjusted right-of-use asset in profit or loss. For all other lease modifications, the remeasured lease liability is recognized as an adjustment to the right-of-use asset.

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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(14) Intangible assets

- A. Licenses, goodwill, and proprietary technologies acquired through business combinations are recognized at fair value on the acquisition date. Proprietary technologies are amortized on a straight-line basis over their estimated useful life of 10 years. Licenses are considered to have indefinite useful lives as they are expected to generate net cash inflows for the foreseeable future. Therefore, they are not amortized.
- B. Computer software is recognized at acquisition cost and amortized on a straight-line basis over its estimated useful life of 5 years.

(15) Impairment of non-financial assets

- A. At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized if the recoverable amount is less than the carrying amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. If the circumstances that led to the recognition of an impairment loss in prior years no longer exist or have decreased, the impairment loss is reversed. However, the increased carrying amount of an asset resulting from a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.
- B. Goodwill and intangible assets with indefinite useful lives are subject to periodic estimation of their recoverable amounts. When the recoverable amount is less than the carrying amount, an impairment loss is recognized. Impairment losses recognized for goodwill are not reversed in subsequent periods.
- C. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). Such allocation is determined based on operating segments, with goodwill allocated to the CGUs or groups of CGUs that are expected to benefit from the business combination from which the goodwill arose.

(16) Loans

Loans refer to short-term and long-term borrowings from banks. At initial recognition, the Company measures these borrowings at fair value, net of transaction costs. Subsequently, any difference between the proceeds net of transaction costs and the redemption amount is recognized in profit or loss as interest expense over the term of the borrowings using the effective interest method.

(17) Notes and accounts payable

- A. Refers to liabilities arising from the purchase of raw materials, goods, or services on credit, as well as notes payable from both operating and non-operating activities.
- B. For short-term, non-interest-bearing notes and accounts payable, as the effect of discounting is immaterial, the Company measures them at the original invoice amount.

(18) Derecognition of financial liabilities

The Company derecognizes a financial liability when the obligation specified in the contract is discharged, canceled, or expires.

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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(19) 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

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.

(20) 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. The Company calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Management regularly evaluates the status of income tax filings in accordance with applicable tax regulations and recognizes tax liabilities based on the amounts expected to be paid to the tax authorities, where applicable. The income tax on undistributed earnings, levied in accordance with the Income Tax Act, is recognized in the year following the year in which the earnings are generated, upon the approval of the earnings distribution by the shareholders' meeting, based on the actual distribution of earnings.

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 parent company only balance sheet. Deferred 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.

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- D. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. The Company reassesses both unrecognized and recognized deferred tax assets at each balance sheet date.

(21) Share capital

- A. Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options are deducted from equity, net of any related income tax effects.
- B. When the Company repurchases its own issued shares, the consideration paid, including any directly attributable incremental costs, net of tax, is recognized as a deduction from equity. When such treasury shares are subsequently reissued, the difference between the consideration received, net of any directly attributable incremental costs and income tax effects, and the carrying amount is recognized as an adjustment to equity.

(22) Dividend distribution

Cash dividends for the 2023 earnings were recognized as liabilities in the financial statements upon approval by the shareholders' meeting. In accordance with the Company's Articles of Incorporation, cash dividends for the 2024 earnings are recognized as liabilities upon resolution by the Board of Directors. Stock dividends are recognized as stock dividends to be distributed upon approval by the shareholders' meeting and are reclassified to common shares on the record date for the issuance of new shares.

(23) Revenue recognition

- A. The Company recognizes revenue from the sale of fresh eggs, processed egg products 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, processed egg products and related products 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 volume discounts and 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. The collection terms for sales transactions are usually one to two months after the shipment date. As the period between the transfer of promised goods or services to the customer and the customer's payment does not exceed one year, the Company does not adjust the transaction price for the time value of money.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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- 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.

(24) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants related to expenses are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the related expenses. Government grants related to property, plant and equipment are recognized as non-current liabilities and are recognized in profit or loss on a straight-line basis over the estimated useful lives of the related assets.

(25) Business combinations under common control (also referred to as organizational restructuring)

According to the Q&A issued by the Accounting Research and Development Foundation on October 26, 2018, "Accounting Treatment of Business Combinations under Common Control," as IFRS 3 Business Combinations does not provide explicit guidance for transactions under common control, the relevant interpretations issued in Taiwan shall apply. Under the book value method, the acquiring entity recognizes the assets and liabilities of the transferred entity at the carrying amounts recorded by the parent company. Any difference between the consideration paid and the carrying amount recognized is directly debited from or credited to capital surplus; if the credit balance of capital surplus is insufficient, the shortfall is adjusted against retained earnings.

For the purpose of preparing financial statements for the comparative period, the combination is accounted for as if it had occurred at the beginning of the earliest period presented. When restating comparative financial statements, the portion of equity previously attributable to the parent company is presented as "predecessor interests under common control," and the share of profit or loss previously attributable to the parent company is presented as "profit (loss) attributable to predecessor interests under common control."

5. Critical Accounting Judgments and Major Sources of Estimation Uncertainty

In preparing the parent company only financial statements, management has exercised judgment in determining the accounting policies to be applied and has made accounting estimates and assumptions based on the circumstances as of the balance sheet date and reasonable expectations of future events. The actual results may differ from those estimates and assumptions. Management continually evaluates these estimates and assumptions based on historical experience and other relevant factors, and adjusts them as necessary. Such estimates and assumptions involve a risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following disclosures regarding significant accounting judgments, estimates, and assumption uncertainty.

- (1) Significant judgments in applying accounting policies: None.
- (2) Critical accounting estimates and assumptions

DAWUSHAN FARM TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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A. Estimated impairment of notes and accounts receivable

In assessing the impairment of notes and accounts receivable, the Company is required to apply judgment and estimates in measuring the credit risk of notes and accounts receivable in order to evaluate expected credit losses. Credit risk is affected by a number of factors, including the customer's financial condition, historical transaction records and current economic conditions, among other factors that may affect customers' credit quality. This assessment is based on reasonable expectations of expected credit losses as of the balance sheet date. However, actual results may differ from these estimates and may result in material adjustments.

As of December 31, 2025, the carrying amount of the Company's notes and accounts receivable was NT\$276,680.

B. Inventory valuation

As inventories are measured at the lower of cost and net realizable value, the Company is required to exercise judgment and make estimates to determine the net realizable value of inventories as of the balance sheet date. In light of rapid technological changes, the Company assesses the amount of inventories that may be subject to normal spoilage, obsolescence, or lack of marketability as of the balance sheet date and writes down the cost of inventories to their net realizable value accordingly.

As of December 31, 2025, the carrying amount of the Company's inventories was NT\$33,247.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 531	\$ 738
Checking and demand deposits	93,382	149,019
	<u>\$ 93,913</u>	<u>\$ 149,757</u>

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 has not pledged any cash and cash equivalents as collateral.

(2) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 3,235	\$ 714
Accounts receivable	\$ 226,930	\$ 170,929
Accounts receivable - related parties	46,626	36,755
Less: Loss allowance	(111)	(129)
	<u>\$ 273,445</u>	<u>\$ 207,555</u>

DAWUSHAN FARM TECHNOLOGY CO., LTD.
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A. The aging analysis of notes and accounts receivable was as follows:

	December 31, 2025		December 31, 2024	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
Not past due	\$ 3,235	\$ 273,252	\$ 714	\$ 204,472
Past due:				
1 to 30 days	-	33	-	3,055
31 to 90 days	-	166	-	93
Over 91 days	-	105	-	64
	<u>\$ 3,235</u>	<u>\$ 273,556</u>	<u>\$ 714</u>	<u>\$ 207,684</u>

The above aging analysis is based on the number of days past due.

- B. As of December 31, 2025 and 2024, the balance of notes and accounts receivable was derived from customer contracts. The outstanding receivables from customer contracts as of January 1, 2024 amounted to NT\$262,607.
- C. Without considering any collateral held or other credit enhancements, the maximum exposure to credit risk of the Company's notes receivable as of December 31, 2025 and 2024 amounted to NT\$3,235 and NT\$714, respectively; and the maximum exposure to credit risk of accounts receivable was NT\$273,445 and NT\$207,555, respectively.
- D. The Company has not pledged any notes or accounts receivable as collateral.
- E. For credit risk information related to notes receivable and accounts receivable, please refer to Note 12(2).

(3) Inventories

	December 31, 2025		
	Cost	Allowance for Inventory Valuation Losses	Carrying Amount
Raw materials	\$ 13,030	(\$ 1,540)	\$ 11,490
Work in progress	451	-	451
Finished goods	21,651	(345)	21,306
	<u>\$ 35,132</u>	<u>(\$ 1,885)</u>	<u>\$ 33,247</u>
	December 31, 2024		
	Cost	Allowance for Inventory Valuation Losses	Carrying Amount
Raw materials	\$ 12,143	(\$ 1,301)	\$ 10,842
Work in progress	267	-	267
Finished goods	20,382	(305)	20,077
	<u>\$ 32,792</u>	<u>(\$ 1,606)</u>	<u>\$ 31,186</u>

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	December 31, 2025	December 31, 2024
Inventories measured at fair value less costs to sell	\$ 18,849	\$ 18,448

Inventory costs recognized as expense for the period by the Company were as follows:

	Years ended December 31	
	2025	2024
Cost of inventories sold	\$ 975,698	\$ 878,555
Sale of consumable biological assets	-	6,499
Inventory write-downs	279	904
Loss on physical inventory	260	158
Obsolescence	5,306	443
Idle capacity	8,824	-
Revenue from sale of scrap and waste materials	(1,020)	(2,282)
	<u>\$ 989,347</u>	<u>\$ 884,277</u>

(4) Investments accounted for using the equity method

	Years ended December 31	
	2025	2024
Balance as of January 1	\$ 571,937	\$ 443,501
Additions to investments accounted for using the equity method	1,600	86,000
Return of shares upon liquidation of investments accounted for using the equity method	(2,999)	-
Share of profit or loss of investments accounted for using the equity method	9,226	48,088
Distribution of earnings of investments accounted for using the equity method before organizational restructuring	(38,250)	(7,650)
Changes in capital surplus	(576)	(4)
Unrealized gain on sales from downstream transactions	(464)	-
Realized gain on sales from downstream transactions	-	2,002
Balance as of December 31	<u>\$ 540,474</u>	<u>\$ 571,937</u>

	December 31, 2025	December 31, 2024
Subsidiaries		
Tai Da Eggs Technology Co., Ltd.	\$ 18,772	\$ 25,521
JihShang Livestock Products Co., Ltd. (Note)	-	2,189
Mountain River Livestock Products Co., Ltd. (Note)	-	971

(Continued)

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	December 31, 2025	December 31, 2024
Dawushan Ise Foods Co., Ltd.	\$ 139,266	\$ 139,339
Fu Che Frozen Food Co., Ltd.	382,436	403,917
	<u>\$ 540,474</u>	<u>\$ 571,937</u>
	-	(Concluded)

Note: Please refer to Note 6(4)B for details.

- A. For information on subsidiaries of the Company, please refer to Note 4(3) to the consolidated financial statements for the year ended December 31, 2025.
- B. The filing of the dissolution and final tax settlement was completed on May 8, 2025, and the liquidation procedures were finalized on August 26, 2025.
- C. On April 1, 2025, the Company acquired 51% equity interest in Fu Che Frozen Food Co., Ltd. from its parent company, Kuo Hsing Poultry & Livestock Feeds Co., Ltd. This transaction was an organizational restructuring under common control. Please refer to Note 6(25) for details.

(5) Biological assets

A. Details of biological assets

	December 31, 2025	December 31, 2024
<u>Biological assets - current</u>		
Consumable biological assets	<u>\$ 8,855</u>	<u>\$ 11,429</u>
<u>Biological assets - non-current</u>		
Bearer biological assets	\$ 178,747	\$ 182,856
Bearer biological assets - accumulated depreciation	<u>(86,856)</u>	<u>(63,454)</u>
	<u>\$ 91,891</u>	<u>\$ 119,402</u>

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

	Years Ended December 31	
	2025	2024
Balance as of January 1	\$ 130,831	\$ 88,369
Additions through purchases	9,037	25,781
Costs and expenses incurred	138,399	137,526
Decreases due to sale and write-offs	(76,005)	(22,213)
Depreciation	(101,516)	(92,133)
Transferred to inventories	-	(6,499)
Balance as of December 31	<u>\$ 100,746</u>	<u>\$ 130,831</u>

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- 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 at cost less accumulated depreciation and accumulated impairment. 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 12 to 16 months for layer hens. For the years ended December 31, 2025 and 2024, the depreciation expenses of biological assets amounted to NT\$101,516 and NT\$92,133, respectively.
- D. Estimated quantity of biological assets

	December 31, 2025	December 31, 2024
Livestock:		
Quantity of biological assets (Thousand heads)	985	1,001

- 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) Property, plant and equipment

	2025				
	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Awaiting Inspection
Balance as of January 1					Total
Cost	\$ 246,090	\$ 853,289	\$ 856,177	\$ 39,219	\$ 91,932
Accumulated depreciation	-	(195,434)	(438,818)	(18,653)	-
	<u>\$ 246,090</u>	<u>\$ 657,855</u>	<u>\$ 417,359</u>	<u>\$ 20,566</u>	<u>\$ 91,932</u>
					<u>\$1,433,802</u>
Balance as of January 1	\$ 246,090	\$ 657,855	\$ 417,359	\$ 20,566	\$ 91,932
Additions	1,023	3,598	21,132	5,062	47,797
Disposals	-	-	(3)	-	(2,066)
Write-off due to fire damage	-	(23,979)	(11,964)	(27)	-
Reclassifications	49,312	39,248	-	688	(89,248)
Transferred to expenses	-	-	-	-	-
Depreciation	-	(29,050)	(51,744)	(3,870)	-
Balance as of December 31	<u>\$ 296,425</u>	<u>\$ 647,672</u>	<u>\$ 374,780</u>	<u>\$ 22,419</u>	<u>\$ 48,415</u>
					<u>\$1,389,711</u>
Balance as of December 31					
Cost	\$ 296,425	\$ 860,512	\$ 765,472	\$ 44,910	\$ 48,415
Accumulated depreciation	-	(212,840)	(390,692)	(22,491)	-
	<u>\$ 296,425</u>	<u>\$ 647,672</u>	<u>\$ 374,780</u>	<u>\$ 22,419</u>	<u>\$ 48,415</u>
					<u>\$1,389,711</u>

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	2024				
	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Awaiting Inspection
Balance as of January 1					Total
Cost	\$ 224,521	\$ 848,860	\$ 846,870	\$ 29,334	\$ 25,437
Accumulated depreciation	-	(167,264)	(400,241)	(15,151)	-
	\$ 224,521	\$ 681,596	\$ 446,629	\$ 14,183	\$ 25,437
Balance as of January 1	\$ 224,521	\$ 681,596	\$ 446,629	\$ 14,183	\$ 25,437
Additions	35	4,429	7,665	2,899	117,121
Disposals	-	-	(2,602)	-	-
Reclassifications	21,534	-	22,070	7,022	(50,626)
Depreciation	-	(28,170)	(56,403)	(3,538)	-
Balance as of December 31	\$ 246,090	\$ 657,855	\$ 417,359	\$ 20,566	\$ 91,932
Balance as of December 31					
Cost	\$ 246,090	\$ 853,289	\$ 856,177	\$ 39,219	\$ 91,932
Accumulated depreciation	-	(195,434)	(438,818)	(18,653)	-
	\$ 246,090	\$ 657,855	\$ 417,359	\$ 20,566	\$ 91,932

- A. For the years ended December 31, 2025 and 2024, the amounts of borrowing costs capitalized to property, plant and equipment by the Company were NT\$2,349 and NT\$703, respectively. The capitalization interest rates ranged from 1.88% to 2.095% and from 2.05% to 2.095%, respectively.
- B. Major components of buildings and structures include the main buildings and various improvement projects, which are depreciated over 32 to 35 years.
- C. For information regarding property, plant and equipment pledged as collateral, please refer to Note 8.
- D. As of December 31, 2025 and 2024, a portion of the Company's land holdings, amounting to NT\$101,539 and NT\$51,205, respectively, was designated for agricultural and livestock use and, due to legal restrictions, could not be registered under the Company's name and was temporarily registered under individuals' names. To protect its rights, the Company has completed mortgage registrations in its favor as a safeguard.
- E. For information on property, plant and equipment losses recognized due to fire incidents during the current period, please refer to Notes 6(19) and 10.
- (7) Lease transactions - Lessee
- A. The Company's leased assets include livestock facilities and equipment, buildings, and transportation equipment. Lease terms generally range from 1.5 to 10 years. Lease contracts are individually negotiated and contain a variety of terms and conditions. Except for restrictions that prohibit the leased assets from being used as collateral, there are no other limitations imposed.
- B. The lease terms for the Company's Taipei office, warehouse, and executive vehicles do not exceed 12 months.

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- C. The carrying amounts of right-of-use assets and the related depreciation expenses were as follows:

	December 31, 2025	December 31, 2024
	Carrying Amount	Carrying Amount
Livestock facilities and equipment	\$ 21,063	\$ 30,784
Buildings	59,055	-
Transportation equipment	173	553
	<u>\$ 80,291</u>	<u>\$ 31,337</u>

	Years ended December 31 2025	2024
	Depreciation	Depreciation
Livestock facilities and equipment	\$ 9,721	\$ 8,101
Buildings	3,634	120
Transportation equipment	380	1,446
	<u>\$ 13,735</u>	<u>\$ 9,667</u>

- D. Additions to right-of-use assets for the years ended December 31, 2025 and 2024 were NT\$62,689 and NT\$38,885, respectively.

- E. The following amounts related to lease contracts were recognized in profit or loss:

	Years ended December 31 2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,281	\$ 633
Expense for short-term leases	8,996	2,902
Expense for leases of low-value assets	10	-

- F. Total cash outflows for leases for the years ended December 31, 2025 and 2024 amounted to NT\$23,194 and NT\$13,067, respectively.

(8) Intangible assets

	2025			
	Licenses	Goodwill	Proprietary Technology	Computer Software
Balance as of January 1				
Cost	\$ 23,810	\$ 21,500	\$ 8,571	\$ 5,737
Accumulated amortization and impairment	-	(4,739)	(2,857)	(3,648)
	<u>\$ 23,810</u>	<u>\$ 16,761</u>	<u>\$ 5,714</u>	<u>\$ 2,089</u>
Balance as of January 1	\$ 23,810	\$ 16,761	\$ 5,714	\$ 2,089
Additions - acquired separately	-	-	-	95

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	2025				
	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Decreases	(\$ 23,810)	(\$ 16,761)	(\$ 1,754)	\$ -	(\$ 42,325)
Amortization	-	-	(3,960)	(1,168)	(5,128)
Balance as of December 31	\$ -	\$ -	\$ -	\$ 1,016	\$ 1,016
Balance as of December 31					
Cost	\$ -	\$ -	\$ -	\$ 5,832	\$ 5,832
Accumulated amortization and impairment	-	-	-	(4,816)	(4,816)
	\$ -	\$ -	\$ -	\$ 1,016	\$ 1,016
(Concluded)					
	2024				
	Licenses	Goodwill	Proprietary Technology	Computer Software	Total
Balance as of January 1					
Cost	\$ 23,810	\$ 21,500	\$ 8,571	\$ 5,386	\$ 59,267
Accumulated amortization and impairment	-	-	(2,000)	(2,502)	(4,502)
	\$ 23,810	\$ 21,500	\$ 6,571	\$ 2,884	\$ 54,765
Balance as of January 1	\$ 23,810	\$ 21,500	\$ 6,571	\$ 2,884	\$ 54,765
Additions - acquired separately	-	-	-	351	351
Amortization	-	-	(857)	(1,146)	(2,003)
Impairment	-	(4,739)	-	-	(4,739)
Balance as of December 31	\$ 23,810	\$ 16,761	\$ 5,714	\$ 2,089	\$ 48,374
Balance as of December 31					
Cost	\$ 23,810	\$ 21,500	\$ 8,571	\$ 5,737	\$ 59,618
Accumulated amortization and impairment	-	(4,739)	(2,857)	(3,648)	(11,244)
	\$ 23,810	\$ 16,761	\$ 5,714	\$ 2,089	\$ 48,374

A. The details of amortization of intangible assets were as follows:

	Years ended December 31	
	2025	2024
General and administrative expenses	\$ 5,128	\$ 2,003

B. The Company's intangible assets were not pledged.

(9) Short-term loans

Nature of Loans	December 31, 2025	Interest Rate Range	Collateral
Bank loans			
Secured loans	\$ 170,000	1.98%	Land, buildings and structures
Credit loans	140,000	1.88%~1.99%	None
	<u>\$ 310,000</u>		

As of December 31, 2024: None.

For collateral of aforementioned short-term loans, please refer to Note 8 for details.

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(10) Other payables

Item	December 31, 2025	December 31, 2024
Accrued payroll and bonuses	\$ 24,685	\$ 27,905
Sales discounts and allowances payable	15,666	11,462
Accrued freight expense	12,782	10,670
Accrued channel fees	3,562	2,988
Payable for equipment	3,375	333
Accrued unused vacation bonus	2,650	-
Interest payable	572	249
Accrued employee compensation and director remuneration	136	8,977
Others	31,618	20,654
	<u>\$ 95,046</u>	<u>\$ 83,238</u>

(11) Long-term loans

Nature of Loans	Loan Term and Repayment Method	Interest Rate Range	Collateral	December 31, 2025
Long-term bank loans				
Secured loans	From November 30, 2011 to June 17, 2040; principal and interest repaid as scheduled	2.050%~2.095%	Land, buildings and structures, machinery and equipment	\$ 244,301
Credit loans	From June 16, 2025 to June 15, 2032; principal and interest repaid as scheduled	2.00%	None	278,580
				<u>522,881</u>
Less: Current portion				<u>(64,309)</u>
				<u>\$ 458,572</u>
Nature of Loans	Loan Term and Repayment Method	Interest Rate Range	Collateral	December 31, 2024
Long-term bank loans				
Secured loans	From November 30, 2011 to June 17, 2040; principal and interest repaid as scheduled	2.05%~2.095%	Land, buildings, structures, machinery and equipment	\$ 265,526
Less: Current portion				<u>(21,181)</u>
				<u>\$ 244,345</u>

Please refer to Note 8 for collateral of aforementioned long-term loans.

(12) Pension

The Company has adopted a defined contribution retirement plan in accordance with the Labor Pension Act, applicable to employees of ROC nationality. For employees who elect to participate in the pension scheme under the Labor Pension Act, the Company contributes 6% of the employees' monthly wages to their individual pension accounts with the Bureau

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of Labor Insurance. Pension benefits are paid either in monthly installments or as a lump sum, based on the balance in each employee's personal pension account, including accumulated returns. For the years ended December 31, 2025 and 2024, the pension costs recognized by the Company under this plan amounted to NT\$6,156 and NT\$5,093, respectively.

(13) Share capital

- A. As of December 31, 2025, the Company's authorized capital was NT\$1,000,000, divided into 100,000 thousand shares with a par value of NT\$10 per share. The paid-in capital amounted to NT\$683,450. Of the authorized capital, NT\$50,000 (equivalent to 5,000 thousand shares) was reserved for the issuance of employee stock options. The Board of Directors may be authorized, in accordance with applicable laws, to issue the reserved shares in installments. All proceeds from issued shares have been fully received.

Reconciliation of the Company's outstanding common shares (in thousands) at the beginning and end of the period was as follows:

	Years Ended December 31	
	2025	2024
Balance as of January 1	67,600	60,750
Issuance of common shares for cash	-	7,595
Shares repurchased	(255)	(745)
Balance as of December 31	67,345	67,600

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. The record date was set on June 11, 2024 and the registration of the cash capital increase was completed.

B. Treasury shares

- (a) Purpose and quantity of repurchased shares:

Holding Entity	Purpose of Repurchase	December 31, 2025	
		Number of Shares	Carrying Amount
The Company	For transfer to employees	1,000,000	\$ 49,013
Holding Entity	Purpose of Repurchase	December 31, 2024	
		Number of Shares	Carrying Amount
The Company	For transfer to employees	745,000	\$ 36,511

- (b) According to the Securities and Exchange Act, the total number of shares a company may repurchase shall not exceed 10% of the total number of issued shares, and the total amount of repurchase shall not exceed the sum of retained earnings, share premium, and realized capital surplus.

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- (c) Treasury shares held by the Company may not be pledged and shall not carry shareholder rights before being transferred, in accordance with the Securities and Exchange Act.
- (d) Pursuant to the Securities and Exchange Act, shares repurchased for the purpose of transferring to employees shall be transferred within five years from the date of repurchase. Any portion not transferred within this period shall be deemed unissued shares of the Company and shall be cancelled through amendment registration. In addition, shares repurchased for the purpose of safeguarding the Company's credit standing and shareholders' interests shall be cancelled through amendment registration within six months from the date of repurchase.

(14) Capital surplus

- 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. Furthermore, pursuant to relevant regulations under the Securities and Exchange Act, when the said capital surplus is used for capital increases, the total amount capitalized each year shall not exceed 10% of the paid-in capital. The Company shall not use capital surplus to offset losses unless the retained earnings are insufficient to cover the losses.

	2025				
	Share premium	Changes in percentage of ownership interests in subsidiaries	Employee stock options expired	Others	Total
Balance as of January 1	\$ 542,949	\$ 6	\$ 6	\$ 42,325	\$ 585,286
Cash distribution from capital surplus	(67,345)	-	-	-	(67,345)
Effect of organizational restructuring	(8,506)	-	-	(42,325)	(50,831)
Balance as of December 31	<u>\$ 467,098</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 467,110</u>

	2024				
	Share premium	Changes in percentage of ownership interests in subsidiaries	Employee stock options expired	Others	Total
Balance as of January 1	\$ 188,009	\$ 10	\$ 6	\$ 42,325	\$ 230,350
Issuance of common shares for cash	354,940	-	-	-	354,940
Changes in percentage of ownership interests in subsidiaries	-	(4)	-	-	(4)
Balance as of December 31	<u>\$ 542,949</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 42,325</u>	<u>\$ 585,286</u>

- B. On May 20, 2025, the shareholders' meeting approved a cash distribution of NT\$67,345 from capital surplus (NT\$1 per common share).

(15) 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

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reserve has equaled the Company's paid-in 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. Where the aforementioned earnings are to be distributed in the form of cash, such distribution shall be resolved by the Board of Directors and reported to the shareholders' meeting pursuant to Paragraph 5, Article 240 of the Company Act.

- B. 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.
- C. 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.
- D. In accordance with applicable laws and regulations, when distributing earnings, the Company is required to appropriate a special reserve from the current year's earnings to the extent of any debit balance in other equity items as of the balance sheet date. When such debit balances are subsequently reversed, the reversed amount may be included in distributable earnings.
- E. On May 31, 2024, the shareholders' meeting resolved to distribute a cash dividend of NT\$1 per common share from the 2023 earnings, totaling NT\$68,345.
- F. On February 18, 2025, the Board of Directors resolved to distribute a cash dividend of NT\$1 per common share from the 2024 earnings, totaling NT\$67,345, which was reported in the shareholders' meeting on May 20, 2025.

(16) Operating revenue

- A. All of the Company's operating revenue is derived from customer contracts for goods transferred at a point in time, as detailed below:

	2025			
	Fresh Eggs	Processed Egg Products	Others	Total
Revenue from external customer contracts	\$1,004,760	\$141,197	\$ 844	\$1,146,801
Timing of revenue recognition				
Revenue recognized at a point in time	\$1,004,760	\$141,197	\$ 844	\$1,146,801

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	2024			
	Fresh Eggs	Processed Egg Products	Others	Total
Revenue from external customer contracts	\$1,058,259	\$119,661	\$ 7,287	\$1,185,207
Timing of revenue recognition				
Revenue recognized at a point in time	\$1,058,259	\$119,661	\$ 7,287	\$1,185,207

B. Contract liabilities

The Company recognized the following contract liabilities related to revenue from contracts with customers:

	December 31, 2025	December 31, 2024
Contract liabilities	\$ 359	\$ 2,662

Revenue recognized in the current period from contract liabilities at the beginning of the period

	Years ended December 31	
	2025	2024
Revenue from sale of goods	\$ 2,662	\$ 124

(17) Interest income

	Years ended December 31	
	2025	2024
Interest on bank deposits	\$ 922	\$ 2,130
Other interest income	602	85
	\$ 1,524	\$ 2,215

(18) Other income

	Years ended December 31	
	2025	2024
Rental income	\$ 242	\$ 412
Income from selling electricity	15,853	17,290
Government grants	1,428	3,851
Others	2,611	885
	\$ 20,134	\$ 22,438

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(19) Other gains and losses

	Years ended December 31	
	2025	2024
Loss on disposal of biological assets	(\$ 60,670)	(\$ 15,671)
Loss on disposal of property, plant and equipment	(1,138)	(2,602)
Impairment loss on intangible assets	-	(4,739)
Depreciation and maintenance expenses of power generation equipment	(8,981)	(7,110)
Foreign exchange (loss) gain, net	(19)	982
Disaster loss		
- Property, plant and equipment	(35,970)	-
- Compensation loss	(500)	-
Compensation loss	(8,840)	-
Others	(212)	(13)
	<u>(\$ 116,330)</u>	<u>(\$ 29,153)</u>

(20) Finance costs

	Years ended December 31	
	2025	2024
Interest expenses		
Bank loans	\$ 13,582	\$ 9,359
Lease liabilities	1,281	633
	<u>14,863</u>	<u>9,992</u>
Less: Amount capitalized for qualifying assets	(2,349)	(703)
	<u>\$ 12,514</u>	<u>\$ 9,289</u>

(21) Additional information on the nature of expenses

	Years ended December 31	
	2025	2024
Employee benefits expense	\$ 169,194	\$ 171,090
Depreciation of property, plant and equipment	84,664	88,111
Depreciation of right-of-use assets	13,735	9,667
Depreciation of biological assets	101,516	92,133
Amortization expense	5,128	2,003

(22) Employee benefits expense

	Years ended December 31	
	2025	2024
Payroll	\$ 140,128	\$ 141,790

(Continued)

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	Years ended December 31	
	2025	2024
Labor and health insurance	\$ 15,642	\$ 13,072
Pension	6,156	5,093
Remuneration to directors	1,966	6,252
Other personnel expenses	5,302	4,883
	<u>\$ 169,194</u>	<u>\$ 171,090</u>

(Concluded)

- A. In accordance with the Company's Articles of Incorporation, in the event that the Company reports a profit for a fiscal year (profit being defined as pre-tax income before deducting compensation to employees and remuneration to directors), remuneration to directors and compensation to employees shall be appropriated by the following percentages: 1) Remuneration to directors: shall not exceed 4% of profit and 2) Compensation to employees: shall be between 4% and 10% of profit, provided that no less than 2% of profit shall be allocated to compensation to non-executive employees. However, if the Company has accumulated losses, an amount sufficient to cover such losses shall be reserved first, and the allocation of compensation to employees and remuneration to directors shall then be made according to the percentages stated above.
- B. For the years ended December 31, 2025 and 2024, the Company accrued compensation to employees of NT\$0 and NT\$5,130, respectively, and remuneration to directors of NT\$0 and NT\$3,847, respectively. These amounts were recognized under payroll expenses.

As the Company incurred a loss before tax for the year ended December 31, 2025, no compensation to employees or remuneration to directors was accrued. On March 6, 2026, the Board of Directors resolved not to distribute any compensation to employees or remuneration to directors, which is consistent with the 2025 financial statements.

The amounts of compensation to employees and remuneration to directors for 2024, as resolved by the Board of Directors on February 18, 2025, are consistent with those recognized in the 2024 financial statements.

Relevant information on compensation to employees and remuneration to directors approved by the Board of Directors is available on the Market Observation Post System.

(23) Income tax

- A. Components of income tax (benefit) expense:

	Years ended December 31	
	2025	2024
Current income tax:		
Income tax for the current period	\$ -	\$ 23,666

(Continued)

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	Years ended December 31	
	2025	2024
(Over) under-provision of income tax in prior years	(\$ 222)	\$ 67
Total current income tax	(222)	23,733
Deferred income tax:		
Origination and reversal of temporary differences	(22,134)	728
Income tax (benefit) expense	(\$ 22,356)	\$ 24,461

(Concluded)

B. Reconciliation of income tax (benefit) expense and accounting profit

	Years ended December 31	
	2025	2024
Income tax calculated at the statutory tax rate on profit (loss) before tax	(\$ 20,633)	\$ 23,852
Effect of adjustments in accordance with tax regulations	(1,501)	542
(Over) under-provision of income tax in prior years	(222)	67
Income tax (benefit) expense	(\$ 22,356)	\$ 24,461

C. The amounts of deferred tax assets and liabilities arising from temporary differences and tax losses were as follows:

	Year Ended December 31, 2025		
	January 1	Recognized in Profit or Loss	December 31
Deferred tax assts:			
- Temporary differences:			
Unused vacation bonus	\$ 680	(\$ 150)	\$ 530
Loss on investments accounted for using the equity method	2,221	1,359	3,580
Unrealized impairment loss	151	(151)	-
Estimated insurance claim income	-	7,194	7,194
Unrealized loss	-	1,768	1,768
Others	383	97	480
Tax losses	-	12,406	12,406
Subtotal	\$ 3,435	\$ 22,523	\$ 25,958
Deferred tax liabilities:			
Valuation gain on agricultural produce included in inventories	(270)	(389)	(659)
Total	\$ 3,165	\$ 22,134	\$ 25,299

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	Year Ended December 31, 2024		
	January 1	Recognized in Profit or Loss	December 31
Deferred tax assts:			
- Temporary differences:			
Unused vacation bonus	\$ 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
Subtotal	\$ 4,185	(\$ 750)	\$ 3,435
Deferred tax liabilities:			
Valuation gain on agricultural produce included in inventories	(292)	22	(270)
Total	\$ 3,893	(\$ 728)	\$ 3,165

- D. The expiry dates of the Company's unused tax losses and the related amounts of unrecognized deferred tax assets were as follows:

December 31, 2025				
Year of Occurrence	Filing / Assessed Amount	Unused Amount	Unrecognized Deferred Tax Assets	Expiry Year
2025	Estimated filing	\$ 62,033	\$ -	2035

- E. The Company's profit-seeking enterprise income tax returns were assessed and approved up to 2023.

(24) (Loss) earnings per share

	Year ended December 31, 2025		
	After-tax	Weighted average no. of common shares outstanding (In thousand shares)	Loss per share (NT\$)
<u>Basic and diluted loss per share</u>			
Net loss attributable to common shareholders	(\$ 72,485)	67,355	(\$ 1.08)
	Year ended December 31, 2024		
	After-tax	Weighted average no. of common shares outstanding (In thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net income attributable to common shareholders	\$ 140,780	64,914	\$ 2.17

(Continued)

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	Year ended December 31, 2024		
	After-tax	Weighted average no. of common shares outstanding (In thousand shares)	Earnings per share (NT\$)
<u>Diluted earnings per share</u>			
Net income attributable to common shareholders	\$ 140,780	64,914	
Effects of dilutive potential common shares			
Employee compensation	-	135	
Net income attributable to common shareholders and effect of potential common shares	\$ 140,780	65,049	\$ 2.16

(Concluded)

(25) Business combinations under common control (also referred to as organizational restructuring)

- A. On March 24, 2025, the Board of Directors resolved that the Company would acquire 51% of the equity interests in Fu Che Frozen Food Co., Ltd. held by the parent company, Kuo Hsing Poultry & Livestock Feeds Co., Ltd., for NT\$382,500. The acquisition was completed on April 1, 2025, after which Fu Che Frozen Food Co., Ltd. was included in the Company's consolidated financial statements.
- B. As this transaction constitutes an organizational restructuring, it is accounted for as a combination from the beginning of the period and is measured using the book value method. The difference between the acquisition cost and the net assets of Fu Che Frozen Food Co., Ltd., amounting to NT\$8,506, was offset against capital surplus - share premium.
- C. As the combination was accounted for as if it had been in effect from the beginning, the balance of "predecessor interests under common control" attributable to Fu Che Frozen Food Co., Ltd., amounting to NT\$373,994, was derecognized upon completion of the above transaction.

(26) Supplementary information on cash flows

Investing activities with partial cash payments only:

	Years ended December 31	
	2025	2024
Acquisition of property, plant and equipment	\$ 78,612	\$ 132,149
Add: Beginning balance of payable for equipment	333	1,583
Less: Ending balance of payable for equipment	(3,375)	(333)
Cash paid for acquisition of property, plant and equipment	\$ 75,570	\$ 133,399

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(27) Changes in liabilities arising from financing activities

	January 1, 2025	Changes from Financing Cash Flows	Non-cash Movements	December 31, 2025
Short-term loans	\$ -	\$ 310,000	\$ -	\$ 310,000
Long-term loans	265,526	257,355	-	522,881
Lease liabilities	31,492	(12,907)	62,689	81,274
Total liabilities from financing activities	<u>\$ 297,018</u>	<u>\$ 554,448</u>	<u>\$ 62,689</u>	<u>\$ 914,155</u>
	January 1, 2024	Changes from Financing Cash Flows	Non-cash Movements	December 31, 2024
Short-term loans	\$ 66,000	(\$ 66,000)	\$ -	\$ -
Long-term loans	622,990	(357,464)	-	265,526
Lease liabilities	2,139	(9,532)	38,885	31,492
Total liabilities from financing activities	<u>\$ 691,129</u>	<u>(\$ 432,996)</u>	<u>\$ 38,885</u>	<u>\$ 297,018</u>

7. Related Party Transactions

(1) Parent company and the ultimate controlling party

The Company is controlled by Kuo Hsing Poultry & Livestock Feeds Co., Ltd., a company incorporated in the Republic of China, which directly and indirectly holds 42.43% of the Company's shares. The remaining 57.57% is held by public shareholders. The Company's ultimate parent and controlling party is Kuo Hsing Poultry & Livestock Feeds Co., Ltd.

(2) Names and relationships of related parties

Name	Relationship
Kuo Hsing Poultry & Livestock Feeds Co., Ltd. (Kuo Hsing)	Parent company
Feng-Chun Lin	Chairman of the Company
Tai Da Eggs Technology Co., Ltd. (Tai Da Eggs)	Subsidiary of the Company
Dawushan Ise Foods Co., Ltd. (Dawushan Ise Foods)	Subsidiary of the Company
Fu Che Frozen Food Co., Ltd. (Fu Che Frozen Food)	Subsidiary of the Company
JihShang Livestock Products Co., Ltd. (JihShang Livestock)	Subsidiary of the Company (Note)
Mountain River Livestock Products Co., Ltd. (Mountain River Livestock)	Subsidiary of the Company (Note)
Kuo Nong Egg Products Marketing Co., Ltd. (Kuo Nong)	Sister company

Note: The filing of the dissolution and final tax settlement was completed on May 8, 2025, and the liquidation procedures were finalized on August 26, 2025.

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(3) Material transactions with related parties

A. Operating revenue

	Years ended December 31	
	2025	2024
Sale of goods:		
Fu Che Frozen Food	\$ 77,414	\$ 20,563
Tai Da Eggs	44,110	64,954
Kuo Nong	3,628	-
JihShang Livestock	-	1,278
	<u>\$ 125,152</u>	<u>\$ 86,795</u>

- (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) Tai Da Eggs purchases raw materials from the Company, processes them, and sells the finished goods back to the Company. These transactions are accounted for as processing arrangements, with no purchases or sales recognized.

B. Purchases

	Years ended December 31	
	2025	2024
Purchase of goods		
Kuo Hsing	\$ 307,628	\$ 296,527
Feng-Chun Lin	-	16,051
Fu Che Frozen Food	173	-
	<u>\$ 307,801</u>	<u>\$ 312,578</u>
Processing cost		
Tai Da Eggs	<u>\$ 29,829</u>	<u>\$ 26,411</u>

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.

C. Receivables from related parties

	December 31, 2025	December 31, 2024
Accounts receivable:		
Tai Da Eggs	\$ 26,356	\$ 32,704
Fu Che Frozen Food	18,843	4,051
Kuo Nong	1,427	-
	<u>\$ 46,626</u>	<u>\$ 36,755</u>

(Continued)

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	December 31, 2025	December 31, 2024
Other receivables:		
Tai Da Eggs	\$ 80	\$ 120
Fu Che Frozen Food	20	-
JihShang Livestock	-	9
	<u>\$ 100</u>	<u>\$ 129</u>
		(Concluded)

Amounts due from related parties primarily arise from sales transactions, which are due one month after the date of sale. These receivables are unsecured and non-interest bearing. No loss allowance has been recognized for amounts due from related parties.

D. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Kuo Hsing	\$ 66,327	\$ 39,670
Tai Da Eggs	21,323	16,041
JihShang Livestock	-	6
	<u>\$ 87,650</u>	<u>\$ 55,717</u>
Other payables:		
Kuo Hsing	\$ 253	\$ 405
Fu Che Frozen Food	181	-
	<u>\$ 434</u>	<u>\$ 405</u>

Amounts due to related parties primarily arise from purchase transactions and are payable two months after the purchase date. These payables are non-interest bearing.

E. Property transaction

(a) Acquisition of biological assets:

		Years ended December 31	
		2025	2024
	Financial Statement Account	Acquisition Cost	Acquisition Cost
Feng-Chun Lin	Bearer biological assets	\$ -	\$ 4,061

(b) In August 2024, Dawushan Ise Foods carried out a cash capital increase. The Company subscribed for 8,600 thousand shares for NT\$86,000, which was not in proportion to its existing shareholding. As a result, the Company's ownership interest increased from 53.50% to 60.00%.

(c) Business combinations under common control (also referred to as organizational restructuring)

On March 24, 2025, the Board of Directors resolved that the Company would

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acquire 51% of the equity interests in Fu Che Frozen Food held by Kuo Hsing for NT\$382,500. Please refer to Note 6(25) for details.

F. Lease transactions - Lessee

(a) The Company leases buildings from Kuo Hsing. The lease term runs from 2024 to 2028, with rental payments made on a monthly basis.

(b) Acquisition of right-of-use assets

	Years ended December 31	
	2025	2024
Kuo Hsing	\$ -	\$ 38,885

(c) Lease liabilities

i. Ending balance

	December 31, 2025	December 31, 2024
Kuo Hsing	\$ 21,462	\$ 31,047

ii. Interest expense

	Years ended December 31	
	2025	2024
Kuo Hsing	\$ 552	\$ 610

G. Other income

	Years ended December 31	
	2025	2024
Tai Da Eggs	\$ 457	\$ 457
JihShang Livestock	3	46
Mountain River Livestock	-	11
Fu Che Frozen Food	19	-
	\$ 479	\$ 514

These were mainly rental income and income from manpower support.

H. Operating expenses

	Years ended December 31	
	2025	2024
Kuo Hsing	\$ 2,091	\$ 7,919
Fu Che Frozen Food	235	3,561
Feng-Chun Lin	-	26
	\$ 2,326	\$ 11,506

These were mainly outsourcing fees and miscellaneous expenses.

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I. Endorsement/Guarantee provided to related parties

	December 31, 2025		December 31, 2024	
	Outstanding Endorsements/ Guarantees	Actual Amount Drawn	Outstanding Endorsements/ Guarantees	Actual Amount Drawn
Fu Che Frozen Food	\$ 150,000	\$ 95,000	\$ -	\$ -

(4) Compensation to key management

	Years ended December 31	
	2025	2024
Short-term employee benefits	\$ 21,007	\$ 20,683
Post-employment benefits	468	442
	<u>\$ 21,475</u>	<u>\$ 21,125</u>

8. Pledged Assets

Details of assets pledged as collateral by the Company were as follows:

Asset Item	Carrying Amount		Purpose
	December 31, 2025	December 31, 2024	
Land	\$ 208,111	\$ 208,111	Short and long-term loans
Buildings and structures	484,323	573,825	Short and long-term loans
Machinery and equipment	159,711	211,803	Long-term loans
	<u>\$ 852,145</u>	<u>\$ 993,739</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingent event

None.

(2) Commitments

A. As of December 31, 2025 and 2024, the guarantee notes provided to banks by the Company for loans amounted to NT\$251,000 and NT\$91,000, respectively.

B. Capital expenditure commitments

	December 31, 2025	December 31, 2024
Property, plant and equipment	<u>\$ 130,188</u>	<u>\$ 1,337</u>

10. Significant Disaster Loss

On March 12, 2025, a fire occurred at the Company's Pingtung facility, damaging several poultry houses and rendering certain buildings, structures and equipment unusable. The Company recognized a total disaster loss of NT\$36,470. Details were as follows:

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Item	Amount	Description
Property, plant and equipment	\$ 35,970	Carrying amount of Layer Farm Phase 1, poultry houses 2, 3, and 4 at the Pingtung facility
Compensation for losses	500	Compensation paid for damage to nearby agricultural crops
	<u>\$ 36,470</u>	

The Company has property insurance in place and is currently in the process of filing an insurance claim. As of the reporting date, no insurance compensation has been recognized.

11. Significant Subsequent Events

None.

12. Others

(1) Capital management

The objective of the Company's capital management is to ensure the Company's ability to continue as a going concern, maintain an optimal capital structure to minimize the cost of capital, and provide returns to shareholders.

Given the need to support the expansion and enhancement of its plants and equipment, the Company's capital management focuses on ensuring the availability of necessary financial resources and operational plans to meet funding requirements over the next twelve months, including working capital, capital expenditures, research and development expenses, and debt repayments.

(2) Financial instruments

A. Types of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 93,913	\$ 149,757
Notes receivable	3,235	714
Accounts receivable	273,445	207,555
Other receivables	389	1,471
Refundable deposits	754	1,218
	<u>\$ 371,736</u>	<u>\$ 360,715</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term loans	\$ 310,000	\$ -
Notes payable	100	100
Accounts payable (including related parties)	122,967	119,376

(Continued)

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	December 31, 2025	December 31, 2024
Other payables	\$ 95,046	\$ 83,238
Long-term loans (including current portion)	522,881	265,526
	<u>\$ 1,050,994</u>	<u>\$ 468,240</u>
Lease liabilities	<u>\$ 81,274</u>	<u>\$ 31,492</u>

(Concluded)

B. 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.

C. Nature and extent of significant financial risks

(a) Market risk

Exchange rate risk

- i. The Company's management has established policies requiring the Company to manage exchange rate risks relative to its functional currency. The Company is required to hedge its overall foreign exchange exposure through its Finance Department.
- ii. As the Company engages in business transactions involving non-functional currencies, it is subject to the effects of exchange rate fluctuations. The information on foreign currency-denominated assets with material exposure to exchange rate volatility was as follows:

	December 31, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Book Value (NT\$)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY:NTD	\$ 1,005	0.20	\$ 202

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December 31, 2024			
	Foreign Currency (In Thousands)	Exchange Rate	Book Value (NT\$)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY:NTD	\$ 7,615	0.21	\$ 1,598

- iii. For the years ended December 31, 2025 and 2024, the total foreign exchange (losses) gains, including both realized and unrealized, arising from significant foreign exchange fluctuations on monetary items amounted to (NT\$19) and NT\$982, respectively.
- iv. The Company's foreign currency risk arising from significant exchange rate fluctuations is analyzed as follows:

Years ended December 31, 2025			
Sensitivity Analysis			
	Changes	Impact on Profit or Loss	Impact on Other Comprehensive Income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY:NTD	1%	\$ 2	\$ -

Years ended December 31, 2024			
Sensitivity Analysis			
	Changes	Impact on Profit or Loss	Impact on Other Comprehensive Income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
JPY:NTD	1%	\$ 16	\$ -

Price risk

The Company is not exposed to any commodity price risk.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk primarily arises from short-term and long-term loans issued at variable interest rates, which expose the Company to cash flow interest rate risk. For the years ended December 31, 2025 and 2024, the Company's borrowings at variable interest rates were mainly denominated in New Taiwan dollars.
- ii. Assuming all other variables remain constant, a 1% increase or decrease in borrowing rates would have resulted in a decrease or increase in profit before

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tax by NT\$8,329 and NT\$2,655, respectively, for the years ended December 31, 2025 and 2024. This change is mainly attributable to fluctuations in interest expenses arising from loans at variable interest rates.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from a customer or counterparty to a financial instrument failing to meet its contractual obligations. The primary sources of credit risk are trade receivables where counterparties fail to settle amounts in accordance with agreed terms, and contractual cash flows classified as measured at amortized cost. The Company manages this risk internally by assessing the credit quality of customers, taking into account their financial condition, past experience, and other relevant factors.

Cash and cash equivalents

The Company's trading policy stipulates that transactions are conducted only with counterparties of good credit standing. In recent periods, there have been no significant defaults on cash and cash equivalents.

Notes and accounts receivable

- i. In accordance with the Company's internally defined credit policy, management and credit risk assessments are required for each new customer before setting payment and delivery terms and conditions. Internal risk control evaluates the customer's credit quality by taking into account their financial condition, past experience, and other relevant factors.
- ii. The Company considers a financial asset to have experienced a significant increase in credit risk if the contractual payment is more than 30 days past due. A default is deemed to have occurred if the payment is more than 90 days past due.
- iii. The Company evaluates the credit quality of customers by customer type, taking into account multiple factors that may affect their ability to pay, including financial condition, historical transaction records, and prevailing economic conditions. A simplified approach is adopted, using a provision matrix to estimate expected credit losses.
- iv. After pursuing collection efforts, the Company writes off the portion of financial assets that are no longer reasonably expected to be recoverable. However, the Company will continue to take legal action to preserve its rights.
- v. The expected loss rates for notes and accounts receivable from customers as of December 31, 2025 and 2024 were as follows:

December 31, 2025	Not Past Due	1 to 30 Days	31 to 90 Days	Over 91 Days	Total
<u>Notes receivable</u>					
Expected loss rate	0%	3%	5%	50%~100%	
Gross carrying amount	\$ 3,235	\$ -	\$ -	\$ -	\$ 3,235
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

December 31, 2025	Not Past Due	1 to 30 Days	31 to 90 Days	Over 91 Days	Total
<u>Accounts receivable</u>					
Expected loss rate	0%	2%~3%	2%~10%	10%~100%	
Gross carrying amount	\$273,252	\$ 33	\$ 166	\$ 105	\$273,556
Loss allowance	\$ -	\$ 1	\$ 9	\$ 101	\$ 111
(Concluded)					
December 31, 2024	Not Past Due	1 to 30 Days	31 to 90 Days	Over 91 Days	Total
<u>Notes receivable</u>					
Expected loss rate	0%	3%	5%	50%~100%	
Gross carrying amount	\$ 714	\$ -	\$ -	\$ -	\$ 714
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Accounts receivable</u>					
Expected loss rate	0%	2%~3%	2%~10%	10%~100%	
Gross carrying amount	\$204,472	\$ 3,055	\$ 93	\$ 64	\$207,684
Loss allowance	\$ -	\$ 92	\$ 5	\$ 32	\$ 129

- vi. Movements in the loss allowance for notes and accounts receivable under the simplified approach were as follows:

	2025		2024	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
As of January 1	\$ -	\$ 129	\$ -	\$ 20
(Reversal of)				
impairment loss	-	(18)	-	119
Write-offs	-	-	-	(10)
As of December 31	\$ -	\$ 111	\$ -	\$ 129

(c) Liquidity risk

- i. The objective of the Company's liquidity risk management is to maintain sufficient cash and bank deposits, highly liquid marketable securities, and adequate bank credit facilities to meet operational needs and ensure financial flexibility.
- ii. The Company's Finance Department invests surplus funds in interest-bearing demand deposits and checking deposits, selecting instruments with appropriate maturities or sufficient liquidity to meet the aforementioned forecasts and maintain an adequate liquidity buffer. As of December 31, 2025 and 2024, the Company held money market instruments of NT\$93,382 and NT\$149,019, respectively, which are expected to readily generate cash flows for managing liquidity risk.
- iii. Bank loans represent a significant source of liquidity for the Company. The Company's unused short-term and long-term bank borrowing facilities were as follows:

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	December 31, 2025	December 31, 2024
Unsecured bank borrowing facilities		
Unused facilities	\$ 110,000	\$ 210,000
Secured bank borrowing facilities		
Unused facilities	325,223	101,223
	<u>\$ 435,223</u>	<u>\$ 311,223</u>

- iv. The following table presents an analysis of the Company's non-derivative financial liabilities based on the remaining contractual maturity as of the balance sheet date. The disclosed contractual cash flows are presented on an undiscounted basis.

December 31, 2025	Within 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities:</u>					
Short-term loans	\$ 271,007	\$ 40,068	\$ -	\$ -	\$ -
Notes payable	100	-	-	-	-
Accounts payable (including related parties)	122,967	-	-	-	-
Other payables	92,396	2,650	-	-	-
Lease liabilities	8,521	8,394	16,938	22,886	30,663
Long-term loans (including current portion)	37,324	37,072	73,370	209,314	215,472
<u>Derivative financial liabilities:</u> None.					
December 31, 2024	Within 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities:</u>					
Notes payable	\$ 100	\$ -	\$ -	\$ -	\$ -
Accounts payable (including related parties)	119,376	-	-	-	-
Other payables	76,826	6,412	-	-	-
Lease liabilities	5,307	5,221	10,316	11,827	-
Long-term loans (including current portion)	10,580	10,601	21,392	65,807	157,146
<u>Derivative financial liabilities:</u> None.					

(3) Fair value information

- A. The definitions of the fair value hierarchy levels for the valuation techniques applied to financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs, either directly or indirectly, other than quoted prices included in Level 1, for the asset or liability.

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Level 3: Unobservable inputs for the asset or liability.

As of December 31, 2025 and 2024, the Company had no financial assets or liabilities measured at fair value.

- B. The carrying amounts of the Company's financial instruments not measured at fair value, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, short-term loans, notes payable, accounts payable, other payables, lease liabilities, and long-term loans, approximate their fair values.

13. Additional Disclosures

(a) Information on significant transactions

- A. Financing provided to others: None.
- B. Endorsement/guarantee provided: Table 1.
- C. Material marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): None.
- D. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital: Table 2.
- E. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital: None.
- F. Intercompany relationships and significant intercompany transactions: Table 3.

(b) Information on investees

The names, locations, and other relevant information of investee companies (excluding investees located in mainland China): Table 4.

(c) Information on investments in mainland China

- A. Basic information: None.
- B. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party: None.

14. Segment Information

Not applicable.

Table 1

**Dawushan Farm Technology Co., Ltd.
Endorsement/Guarantee Provided
For the Year Ended December 31, 2025**

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

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given to Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Drawn (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent to Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries to Parent (Note 7)	Endorsement/ Guarantee Given to Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	Dawushan Farm Technology Co., Ltd.	Fu Che Frozen Food Co., Ltd.	2	\$ 699,826	\$ 150,000	\$ 150,000	\$ 95,000	-	10.50%	\$ 699,826	Y	N	N	

Note 1: Companies are coded as follows:

- (1) Dawushan Farm Technology Co., Ltd. (the Company) is coded "0."
- (2) The investees are coded from "1" in the order presented in the table above.

Note 2: The relationships between endorser/guarantor and endorsee/guarantee are categorized into the following seven types. Please specify the type.

- (1) A company that has business relationships with the Company.
- (2) A company in which the Company directly or indirectly holds over 50% of the voting rights.
- (3) A company that directly or indirectly holds over 50% of the Company's voting rights.
- (4) Endorsements/guarantees between companies in which the Company directly or indirectly holds over 90% of the voting rights.
- (5) Mutual endorsements/guarantees between companies in the same industry or between joint builders which are provided in accordance with contractual terms for construction projects.
- (6) Endorsements/guarantees provided by each shareholder for their jointly invested company in proportion to their shareholding percentages.
- (7) Joint and several security between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 3: Pursuant to the Company's Procedures for Endorsements and Guarantees, the aggregate amount of guarantees and endorsements provided shall not exceed 49% of the Company's net worth. Furthermore, the amount of guarantees and endorsements provided to any single entity shall also not exceed 49% of the net worth. The aforementioned net worth shall be based on the latest financial statements audited or reviewed by independent auditors.

Note 4: The maximum endorsement/guarantee balance for the current period.

Note 5: This refers to amounts approved by the Board of Directors. However, where the authority has been delegated by the Board to the Chairman in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, this would be the amounts approved by the Chairman.

Note 6: Please enter the actual amount drawn of the endorsee/guarantee within the approved limit of endorsement and guarantee.

Note 7: Fill in "Y" for endorsements/guarantees provided by listed parent companies to subsidiaries and vice versa, and for ones provided to companies in mainland China.

Table 2

Dawushan Farm Technology Co., Ltd.
Related Party Transactions With Purchase or Sales Amount of at Least NT\$100 Million or 20 Percent of the Paid-in Capital
For the Year Ended December 31, 2025

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

Company Name	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Receivable or Payable		Note	
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total
Dawushan Farm Technology Co., Ltd.	Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Parent company	Purchases	\$ 307,628	44.59%	1 to 2 months	-	-	(\$ 66,327)	(53.94)	

Table 3

Dawushan Farm Technology Co., Ltd.
Intercompany Relationships and Significant Intercompany Transactions
For the Year Ended December 31, 2025

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

No. (Note 1)	Company Name	Counterparty	Relationship	Intercompany Transactions			Percentage to Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statements Account	Amount	Terms	
0	Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	1	Sales revenue	\$ 44,110	Collections in 1 to 2 months after shipment, Note 5	2%
0	Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	1	Accounts receivable	26,356	Collections in 1 to 2 months after shipment	1%
0	Dawushan Farm Technology Co., Ltd.	Fu Che Frozen Food Co., Ltd.	1	Sales revenue	77,414	Collections in 1 to 2 months after shipment	4%
0	Dawushan Farm Technology Co., Ltd.	Fu Che Frozen Food Co., Ltd.	1	Accounts receivable	18,843	Collections in 1 to 2 months after shipment	0%
1	Tai Da Eggs Technology Co., Ltd.	Dawushan Farm Technology Co., Ltd.	2	Processing revenue	29,829	Collections in 1 to 2 months after shipment, Note 5	2%
1	Tai Da Eggs Technology Co., Ltd.	Dawushan Farm Technology Co., Ltd.	2	Accounts receivable	21,323	Collections in 1 to 2 months after shipment	1%

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. (If the transaction is between a parent and its subsidiary, or between subsidiaries, duplicate disclosure is not required. For example, if a transaction between the parent and a subsidiary has already been disclosed by the parent, the subsidiary does not need to disclose it again. Similarly, if a transaction between two subsidiaries has been disclosed by one of them, the other is not required to repeat the disclosure.)

(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 cumulative transaction amount relative to consolidated net revenue for profit or loss items.

Note 4: The significant transactions presented in this table refer to individual transactions with an amount of NT\$10,000 or more.

Note 5: Tai Da Eggs Technology Co., Ltd. purchases raw materials from Dawushan Farm Technology Co., Ltd., processes them, and sells the finished goods back to Dawushan Farm Technology Co., Ltd. These transactions are accounted for as processing arrangements, with no purchases or sales recognized.

Table 4

Dawushan Farm Technology Co., Ltd.
The Names, Locations, and Other Relevant Information of Investee Companies (Excluding Investees Located in Mainland China)
For the Year Ended December 31, 2025

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

Investor	Investee	Business Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025		Ownership Percentage	Carrying Amount	Net Income (Loss) of Investee	Share of Profit/Loss	Note
				December 31, 2025	December 31, 2024	Shares						
Dawushan Farm Technology Co., Ltd.	Tai Da Eggs Technology Co., Ltd.	Taiwan	Manufacturing and trading of processed egg products	\$ 37,380	\$ 37,380	3,761,200		68.39	\$ 18,772	(\$ 9,871)	(\$ 6,750)	
Dawushan Farm Technology Co., Ltd.	JihShang Livestock Products Co., Ltd.	Taiwan	Distribution of processed products	-	1,000	-		-	-	(161)	(161)	Note
Dawushan Farm Technology Co., Ltd.	Mountain River Livestock Products Co., Ltd.	Taiwan	Distribution of processed products	-	1,000	-		-	-	-	-	Note
Dawushan Farm Technology Co., Ltd.	Dawushan Ise Foods Co., Ltd.	Taiwan	Trading of egg products	139,500	139,500	13,950,000		60.00	139,266	(121)	(73)	
Dawushan Farm Technology Co., Ltd.	Fu Che Frozen Food Co., Ltd.	Taiwan	Manufacturing and trading of processed egg products and frozen food	373,994	-	15,364,000		51.21	382,436	31,720	16,210	

Note: The filing of the dissolution and final tax settlement was completed on May 8, 2025, and the liquidation procedures were finalized on August 26, 2025.

Statement 1

Dawushan Farm Technology Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount
Cash on hand and petty cash		\$ 531
Bank deposits	Checking deposits	232
	Demand deposits - NT dollars	92,948
	Demand deposits - foreign currencies (JPY1,005 thousand; JPY/NTD = 0.20)	202
		<u>\$ 93,913</u>

Statement 2

Dawushan Farm Technology Co., Ltd.

Statement of Accounts Receivable

December 31, 2025

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Unrelated parties:			
Company A	Sales revenue	\$ 97,420	
Company B	Sales revenue	20,847	
Company C	Sales revenue	17,767	
Others (Items with balances less than 5% of this account)	Sales revenue	90,896	
		<u>226,930</u>	
Less: Loss allowance		(111)	
		<u>\$ 226,819</u>	
Related parties:			
Tai Da Eggs Technology Co., Ltd.	Sales revenue	\$ 26,356	
Fu Che Frozen Food Co., Ltd.	Sales revenue	18,843	
Kuo Nong Egg Products Marketing Co., Ltd.	Sales revenue	1,427	
		<u>\$ 46,626</u>	

Statement 3

Dawushan Farm Technology Co., Ltd.
Statement of Changes in Investments Accounted for Using the Equity Method
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Name	Beginning Balance (Restated)		Increase		Decrease		Ending Balance			Market Value or Net Equity Value		Collateral/ Pledge	Note
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Ownership Percentage	Amount	Unit Price	Total		
Tai Da Eggs Technology Co., Ltd.	3,761	\$ 25,521	-	\$ -	-	(\$ 6,749)	3,761	68.39%	\$ 18,772	4.99	\$ 18,772	None	Note 1
JihShang Livestock Products Co., Ltd.	100	2,189	-	-	(100)	(2,189)	-	-	-	-	-	None	Notes 1&2
Mountain River Livestock Products Co., Ltd.	100	971	-	-	(100)	(971)	-	-	-	-	-	None	Notes 1&2
Dawushan Ise Foods Co., Ltd.	13,950	139,339	-	-	-	(73)	13,950	60.00%	139,266	9.98	139,266	None	Note 1
Fu Che Frozen Food Co., Ltd.	15,300	403,917	64	17,809	-	(39,290)	15,364	51.21%	382,436	23.74	382,436	None	Notes 1&3
		<u>\$571,937</u>		<u>\$17,809</u>		<u>(\$49,272)</u>			<u>\$ 540,474</u>		<u>\$ 540,474</u>		

Note 1: Calculated based on the investee's audited financial statements for the same period.

Note 2: The filing of the dissolution and final tax settlement was completed on May 8, 2025, and the liquidation procedures were finalized on August 26, 2025.

Note 3: On April 1, 2025, the Company acquired 51% equity interest in Fu Che Frozen Food Co., Ltd. from its parent company, Kuo Hsing Poultry & Livestock Feeds Co., Ltd. This transaction was an organizational restructuring under common control. Please refer to Note 6(25) for details.

Note 4: The increase was mainly attributable to the acquisition of investments accounted for using the equity method of NT\$1,600 and the recognition of gain on investments accounted for using the equity method of NT\$16,209. The decrease was mainly attributable to the recognition of loss on investments accounted for using the equity method of NT\$6,983, return of capital from liquidation of investments accounted for using the equity method of NT\$2,999, distribution of earnings from investments accounted for using the equity method of NT\$38,250, reduction in capital surplus due to subscription not in proportion to the existing shareholding of NT\$576, and unrealized gain on sales of NT\$464.

Statement 4

Dawushan Farm Technology Co., Ltd.
Statement of Changes in Property, Plant and Equipment
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Transfer	Ending Balance	Collateral/ Pledge	Note
Land	\$ 246,090	\$ 1,023	\$ -	\$ 49,312	\$ 296,425	Y	
Buildings and structures	853,289	3,598	(35,623)	39,248	860,512	Y	
Machinery and equipment	856,177	21,132	(111,837)	-	765,472	Y	
Other equipment	39,219	5,062	(59)	688	44,910	N	
Construction in progress and equipment awaiting inspection	91,932	47,797	(2,066)	(89,248)	48,415	N	
	<u>\$ 2,086,707</u>	<u>\$ 78,612</u>	<u>(\$ 149,585)</u>	<u>\$ -</u>	<u>\$ 2,015,734</u>		

Statement 5

Dawushan Farm Technology Co., Ltd.

Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Ending Balance	Note
Buildings and structures	\$ 195,434	\$ 29,050	(\$ 11,644)	\$ 212,840	
Machinery and equipment	438,818	51,744	(99,870)	390,692	
Other equipment	18,653	3,870	(32)	22,491	
	<u>\$ 652,905</u>	<u>\$ 84,664</u>	<u>(\$111,546)</u>	<u>\$ 626,023</u>	

Note: For depreciation methods and useful lives, please refer to Note 4(12).

Statement 6

Dawushan Farm Technology Co., Ltd.
Statement of Changes in Cost of Right-of-use Assets
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Ending Balance	Note
Livestock facilities and equipment	\$ 38,885	\$ -	\$ -	\$ 38,885	
Buildings	-	62,689	-	62,689	
Transportation equipment	1,474	-	(585)	889	
	<u>\$ 40,359</u>	<u>\$ 62,689</u>	<u>(\$ 585)</u>	<u>\$ 102,463</u>	

Statement 7

Dawushan Farm Technology Co., Ltd.

Statement of Changes in Accumulated Depreciation of Right-of-use Assets

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Ending Balance	Note
Livestock facilities and equipment	\$ 8,101	\$ 9,721	\$ -	\$ 17,822	
Buildings	-	3,634	-	3,634	
Transportation equipment	921	380	(585)	716	
	<u>\$ 9,022</u>	<u>\$ 13,735</u>	<u>(\$ 585)</u>	<u>\$ 22,172</u>	

Statement 8

Dawushan Farm Technology Co., Ltd.
Statement of Short-term Loans
December 31, 2025

In Thousands of New Taiwan Dollars

Type of Loan	Description	Ending Balance	Contract Period	Interest Rate	Credit Facility	Collateral or Guarantee	Note
Secured loan	First Commercial Bank	\$ 60,000	2025/07/10~2026/01/10	1.98%	\$ 60,000	Land, buildings and structures	
Credit loan	First Commercial Bank	40,000	2025/07/10~2026/07/10	1.99%	140,000	None	
Secured loan	Mega International Commercial Bank	60,000	2025/07/30~2026/01/26	1.98%	150,000	Land, buildings and structures	Note
Secured loan	Mega International Commercial Bank	50,000	2025/08/06~2026/02/02	1.98%	150,000	Land, buildings and structures	Note
Credit loan	Yuanta Commercial Bank	100,000	2025/11/13~2026/02/11	1.88%	150,000	None	
		<u>\$ 310,000</u>					

Note: Represents shared credit facilities.

Statement 9

Dawushan Farm Technology Co., Ltd.

Statement of Accounts Payable

December 31, 2025

In Thousands of New Taiwan Dollars

Counterparty	Description	Amount	Note
Unrelated parties:			
Company A	Purchases	\$ 5,262	
Company B	Purchases	4,744	
Company C	Purchases	3,837	
Company D	Purchases	2,790	
Company E	Purchases	2,416	
Others (Items with balances less than 5% of this account)	Purchases	16,268	
		<u>\$ 35,317</u>	
Related parties:			
Kuo Hsing Poultry & Livestock Feeds Co., Ltd.	Purchases	\$ 66,327	
Tai Da Eggs Technology Co., Ltd.	Purchases	21,323	
		<u>\$ 87,650</u>	

Statement 10

Dawushan Farm Technology Co., Ltd.
Statement of Long-term Loans
December 31, 2025

In Thousands of New Taiwan Dollars

Lender	Description	Loan Amount	Contract Period	Interest Rate	Collateral or Guarantee	Note
Taiwan Cooperative Bank	Secured loan	\$ 15,961	2011/11/30~2029/11/30	2.050%	Land, buildings and structures	
Mega International Commercial Bank	Secured loan	35,687	2021/05/20~2036/05/20	2.050%	Land, buildings and structures	
Chang Hwa Commercial Bank	Secured loan	74,206	2022/06/17~2040/06/17	2.075%	Buildings and structures	
First Commercial Bank	Secured loan	118,447	2022/10/07~2037/10/07	2.095%	Land, machinery and equipment	
CTBC Bank	Credit loan	278,580	2025/06/16~2032/06/15	2.00%	None	
		522,881				
Current portion		(64,309)				
		<u>\$ 458,572</u>				

Statement 11

Dawushan Farm Technology Co., Ltd.

Statement of Lease Liabilities

December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Lease Term	Discount Rate	Ending Balance	Note
Livestock facilities and equipment	Mainly for operating use	2024.03.31~2028.02.29	2.070%	\$ 21,462	
Buildings	Mainly for operating use	2025.04.01~2035.03.31	2.048%	59,661	
Transportation equipment	Mainly for operating use	2023.06.30~2026.07.30	1.950%	151	
				81,274	
		Less: Current portion		(15,366)	
				<u>\$ 65,908</u>	

Statement 12

Dawushan Farm Technology Co., Ltd.

Statement of Operating Revenue

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Quantity	Amount	Note
Revenue from egg products	21,791 thousand catties (Taiwan)	\$ 1,026,775	
Others	Items with balances less than 10% of this account are shown in aggregate	153,946	
		1,180,721	
Less: Sales returns		(493)	
Sales discounts and allowance		(33,427)	
		<u>\$ 1,146,801</u>	

Statement 13

Dawushan Farm Technology Co., Ltd.

Statement of Operating Costs

For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Amount
Raw materials, beginning balance	\$ 12,143
Add: Purchases of raw materials	432,371
Gain on physical inventory	106
Less: Transferred to expenses	(6)
Raw materials sold	(70)
Raw materials scrapped	(127)
Less: Raw materials, ending balance	(13,030)
Raw materials consumed	431,387
Direct labor	58,936
Less: Idle capacity	(4,654)
Manufacturing overhead	337,894
Less: Idle capacity	(4,170)
Manufacturing costs	819,393
Work in progress, beginning balance	267
Add: Purchases during the period	184,157
Less: Transferred to expenses	(123)
Work in progress sold	(38,850)
Transferred to biological assets	(138,399)
Work in progress, ending balance	(451)
Cost of finished goods	825,994
Finished goods, beginning balance	20,382
Add: Purchases during the period	73,365
Loss on physical inventory	(366)
Less: Finished goods scrapped	(3,593)
Transferred to expenses	(1,792)
Finished goods, ending balance	(21,651)
Cost of goods sold	892,339
Other operating costs - raw materials sold	70
Other operating costs - work in progress sold	38,850
Loss on physical inventory	260
Proceeds from sale of scraps and waste	(1,020)
Loss on inventory write-down	279
Loss on inventory scrapped	3,720
Loss on biological assets scrapped	1,586
Loss on changes in fair value of biological assets and agricultural produce	44,508
Idle capacity	8,824
Others	(69)
Total operating costs	<u>\$ 989,347</u>

Statement 14

Dawushan Farm Technology Co., Ltd.
Statement of Manufacturing Overheads
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Depreciation		\$ 185,683	
Payroll expense		45,206	
Repair and maintenance expense		21,801	
Environmental protection and cleaning expenses		20,686	
Utilities (water, electricity and gas)		17,951	
Others (Items with balances less than 5% of this account)		46,567	
		<u>\$ 337,894</u>	

Statement 15

Dawushan Farm Technology Co., Ltd.
Statement of Sales and Marketing Expenses
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Freight expense		\$ 64,799	
Channel expenses		16,938	
Advertising expense		10,459	
Payroll expense		9,666	
Others (Items with balances less than 5% of this account)		12,986	
		<u>\$ 114,848</u>	

Statement 16

Dawushan Farm Technology Co., Ltd.
Statement of General and Administrative Expenses
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Payroll expense		\$ 29,457	
Depreciation		5,327	
Amortization		5,129	
Service fees		4,479	
Others (Items with balances less than 5% of this account)		28,969	
		<u>\$ 73,361</u>	

Statement 17

Dawushan Farm Technology Co., Ltd.
Statement of Research and Development Expenses
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Payroll expense		\$ 7,471	
Insurance		679	
Inspection fees		753	
Others (Items with balances less than 5% of this account)		1,285	
		<u>\$ 10,188</u>	

Dawushan Farm Technology Co., Ltd.
Statement of Employee Benefits, Depreciation, Depletion and Amortization by Function
For the Year Ended December 31, 2025

In Thousands of New Taiwan Dollars

Function Nature	Years Ended December 31							
	2025				2024			
	Operating costs	Operating expenses	Non-operating expenses	Total	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits expense								
Payroll	95,501	44,627	-	140,128	98,466	43,324	-	141,790
Labor and health insurance	11,150	4,492	-	15,642	9,000	4,072	-	13,072
Pension	4,205	1,951	-	6,156	3,450	1,643	-	5,093
Remuneration to directors	-	1,966	-	1,966	-	6,252	-	6,252
Other employee benefits	1,622	3,680	-	5,302	1,641	3,242	-	4,883
Depreciation	185,683	6,105	8,127	199,915	179,887	2,914	7,110	189,911
Amortization	-	5,218	-	5,218	-	2,003	-	2,003

Note:

1. For the years ended December 31, 2025 and 2024, the Company had 229 and 199 employees, and 4 and 6 non-employee directors, respectively.
2. (a) The average employee benefits expense in 2025 equaled NT\$743 thousand, which was calculated as follows: (Sum of employee benefits expense - Sum of remuneration to directors in 2025)/(Number of employees - Number of non-employee directors in 2025).
The average employee benefits expense in 2024 equaled NT\$854 thousand, which was calculated as follows: (Sum of employee benefits expense - Sum of remuneration to directors in 2024)/(Number of employees - Number of non-employee directors in 2024).
- (b) The average employee payroll expense in 2025 equaled NT\$623 thousand, which was calculated as follows: Sum of employee payroll expense in 2025/(Number of employees - Number of non-employee directors in 2025).
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).
- (c) The change in average employee payroll expense equaled (15)% in 2025, which was calculated as follows: (Average employee payroll expense in 2025 - average employee payroll expense in 2024)/Average employee payroll expense in 2024.

- (d) The Company has established the Audit Committee to replace supervisors. Thus, remuneration to supervisors was not recognized.
- (e) Compensation policy
 - i. Remuneration to directors

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 compensation 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. Remuneration of the President and Vice President

The compensation and ranks of the President and Vice President are determined based on their education, professional experience, language proficiency, and years of service. Additional considerations include prevailing social economic income levels and internal salary equity. Remuneration is determined in accordance with the Company's remuneration policies and standards, subject to the Chairman's approval, review by the Compensation Committee, and final approval by the Board of Directors.
 - iii. Fixed and variable compensation of employees

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 regularly establishes annual performance targets and conducts assessments of goal attainment, which serve as the basis for year-end bonuses, promotions, salary adjustments, and performance improvement measures.