



Stock Code: 1240

Website: <http://www.morn-sun.com.tw>

MOPS: <http://mops.twse.com.tw>

Morn Sun Feed Mill Corp.

(Before change: Morn Sun Feed Corp.)

2024 Annual Report

May 8, 2025

I. Names, titles, contact numbers, and emails spokesperson and acting spokesperson:

Spokesperson of the Company	Deputy Spokesperson
Name: Xin-Hong, Lin	Name: Shao-Qi, Qiu
Title: Management Department	Title: Accounting Manager
Tel: (02) 2367-1162	Tel: (02) 2367-1162
E-mail: bedford@morn-sun.com.tw	E-mail: sciou@morn-sun.com.tw

II. Contact information of Morn Sun and its Subsidiaries:

Main office: 2F., No.30, Sec. 1, Heping W. Rd., Zhongzheng Dist., Taipei City
Tel: (02) 2367-1162
Branches: None
Factory: Address of Kaohsiung Factory: No. 60, Daye S. Rd., Xiaogang Dist., Kaohsiung City
Tel: (07) 871-6709

III. Contact Information of the institution for stock transfer

Name: Registrar & Transfer Agency Department of Yuanta Securities Co., Ltd.
Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106045
Website: <http://www.yuanta.com.tw>
Tel: (02) 2586-5859

IV. Contact Information of financial statement auditors in the latest year

CPA firm: Deloitte & Touche
Name of CPA: Chong-Cheng, Chen; Hai-Yue, Huang
Address: 20F., No.100, Songren Rd., Xinyi Dist., Taipei City 110421
Website: <http://www.deloitte.com.tw>
Tel: (02) 2725-9988

V. Overseas Listings and Access to the Listing Information

None

VI. Website:

<http://www.morn-sun.com.tw>

Subject index

Chapter I. Report to Shareholders	1
Chapter II. Corporate Governance	5
I. Data of directors, supervisors, presidents, vice presidents, assistant managers, and heads of various departments and branches	5
II. Remuneration payment to directors, supervisors, presidents, and vice presidents in the latest year.....	13
III. Information on implementation of corporate governance	20
IV. Information in public fees of the Certified Public Accountant	63
V. Information on replacement of CPA.....	65
VI. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held	66
VII. In the latest year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, supervisors and managerial officers and key shareholders holding over 10% in shareholding	66
VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another	67
IX. Investments jointly held by the Company's directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties	67
Chapter III. Funding Status	68
I. Share capital and shares	68
II. Corporate bond application	73
III. Preference share	73
IV. Overseas depositary receipts	73
V. Handling of employee stock warrants	73
VI. New shares issued to employees with restricted rights	76
VII. New share issuance in connection with mergers and acquisitions	76
VIII. Progress on the use of funds.....	76
Chapter IV. Business Performance	77
I. Content of business	77
II. Markets, production and marketing in summary.....	85
III. Number of employees for the last two years	91
IV. Environmental spending.....	92
V. Employee-employer relationship	92
VI. ICT security management.....	93
VII. Important contract	95
Chapter V. Financial Status and Performance Review Analysis and Risks.....	97
I. Financial status	97
II. Financial performance	97
III. Cash flow.....	98

IV. The impact of the significant capital expenditure in the latest year upon the financial performance.....	99
V. The reinvestment policies in the latest year, the main reasons for profit or loss on such investment, the improvement plans, and the investment plan in the coming year.....	99
VI. Analysis and evaluation of risks in the latest year and up to the publication date of the annual report	100
VII. Other important disclosures.....	103
Chapter VI. Special Disclosure	104
I. Relevant information of affiliated enterprises.....	104
II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report	105
III. Holding or disposal of the company's shares by its subsidiaries in the latest year and up to the publication date of the annual report	105
IV. Other supplementary information	105
Chapter VII. Occurrences of events defined under Subparagraph 2, Paragraph 2, Article 36 of the Securities Exchange Act in the latest year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices	105

Chapter I. Report to Shareholders

Ladies and gentlemen, Dear Shareholders:

I. Results of the Company's business performance in the Year 2024:

(I) Results of operating plan in 2024

The operating revenue in 2024 was NT\$2,856,900 thousand, a decrease of NT\$53,268 thousand (1.83%) compared to the operating revenue of NT\$2,910,168 thousand in 2023. The net profit after tax was NT\$179,603 thousand, an increase of NT\$17,293 thousand (10.65%) compared to NT\$162,310 thousand in the same period of the previous year. In 2024, the feed business, pig and colored chicken sales of the husbandry business all performed well and made steady profits. The investment in Top Food Industry Corporation made profits in 2024, the subsidiary Morn Sun Food Corp. carried out product mix adjustments in 2024, and continued to develop new customers and increase new products to balance the profit and loss. Overall, the earnings per share after tax was NT\$4.34 in 2024, an increase compared to the previous year.

(II) Budget execution for 2024

The financial forecast was not disclosed in the previous fiscal year, therefore, there is no budget achievement information.

(III) Analysis into financial revenues and expenditures and profitability (Consolidated Financial Statements)

Unit: NT\$ thousand

Analysis	Item	2024
Financial revenues and expenditures	Interest income	3,556
	Interest expenses	8,286
Profitability analysis	Return on assets (%)	8.00
	Return on equity (%)	11.45
	Percentage of operating profit to the paid-in capital (%)	37.16
	Percentage of net profit before tax to the paid-in capital (%)	49.73
	Net profit rate (%)	5.83
	Earnings per share (\$)	4.34

(IV) Performance in research & development: The future research & development plans and the expenses anticipated to be invested into research & development:

- Future research & development programs:
 - Complete feed with high feed efficiency and high performance.
 - Low-pollution environmental feed.
 - Functional feed.
 - Process development to increase production volume.

2. Estimated R&D expenditure:

In the future, the amount of the Company's estimated R&D expenditure will be gradually scheduled in accordance with the R&D progress of new products, and the expenditure will be gradually increased according to market changes and the R&D progress of new products, in order to enhance the Company's competitiveness.

II. Outline of business plan for the current year

(I) Business strategies:

Association among the up-, mid- and down streams

Upstream	Midstream (the Company)	Downstream
Bulk grain suppliers Other raw material suppliers	Feed manufacturing and sales Pig breeding and sales Colored chicken breeding and sales	Livestock and poultry farms Meat distributors, wholesalers and electric slaughtering plants

The Company is a feed manufacturer in the midstream of the livestock industry chain. Almost all of the grains used in feed production in Taiwan are imported, mainly corn and soybeans, so it is very important to keep track of price trends of raw materials and choose the right time to buy. In addition to producing feed products for livestock, the Company also provides customized feed, functional feed research and development, and management consulting services. In Mar. 2017, the Company began to jointly operate pig farms with farmers, use self-produced feed to feed the pigs and sell meat (piglets); in recent years, we have moved towards the model of contract pig farming, which further increases the benefits of both parties. At the same time, the Company has gradually constructed additional sow birthing barn facilities to increase the number of sow birthing pens and increase the number of piglets born. Due to the consumption of our own feeds, the plant output increased and the unit operating cost decreased, thus increasing the Company's overall efficiency and profit.

In Oct. 2018, the Company also entered into the poultry farming (e.g. colored chickens), vertically integrated upstream and downstream, and cooperated with farmers and distributors to complete the sales of livestock and poultry products; in 2020, the Company even actively integrated with farmers to increase the number of cooperatively operated farms for colored chickens, ducks, and geese, thus achieving one-stop operation of the feed manufacturing and livestock and poultry breeding; in Sep. 2019, the Company established a subsidiary (Morn Sun Food Corp.), and holds 60% of its shares currently. Morn Sun Food Corp. is engaged in the washing and sale of eggs, and currently sells its own brand of "Fuweng Washed Eggs" in major variety stores such as PX-Mart, Simple Mart, RT-Mart, and Carrefour, while the washed eggs are mainly sold to medium-sized breakfast chains such as Q-Burger, My Burger, and Hong Ya Burger. With the advantages of HACCP, CAS, and production and sales history certifications, the Company will actively negotiate with group catering companies, McDonald's, KFC, and Mos Burger, and other fast-food restaurant chains that require 3-seal and 1Q qualifications. The Company will also develop eggs with functional ingredients, plan and establish liquid egg production lines and deep processing lines of eggs, develop eggs containing functional ingredients (e.g. lutein, DHA, selenium, etc.), and sell and deliver them under our own brand. We will set up a delivery platform (website), continue to develop group-buying markets, communities, restaurants, firms, supermarkets and central kitchens in the catering industry to increase the turnover of washed eggs and increase our market share.

(II) The expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan:

1. The expected sales volume and its basis: The Company did not prepared any financial forecast for 2025.

2. The possible impact on the Company's future financial business and the response plan: None.

(III) Production and sales policies and development strategy:

Feed industry

1. Consumers pay attention to food safety
With the rise of consumer awareness, the public has been paying more and more attention to the quality and safety of commodities. The consumers have increased requirement for food safety dramatically, and the government health authorities have also strengthened drug residue testing and hygiene management inspection. For this reason, the Company have been using a blank feed production line since 2013, through which we produce feed without drug residues, and we have obtained HACCP and ISO22000:2018 certifications for quality control, so that we can guard consumers' health at the source of food and expand our market share.
2. Stable growth of high value-added products
The demographic structure of Taiwan presents a continuous aging trend, the proportion of middle-aged and elderly people continues to increase, driving the emergence of business opportunities for nutritional, anti-aging, and organic products. Consumers are relatively more willing to purchase low-calorie and low-fat products; related functional feeds can increase the palatability of livestock and poultry meat, reduce the fat ratio, and increase the added-value of livestock and poultry products, so the market of functional feeds will grow steadily.
3. Vertical integration or cooperation ability
The domestic feed market has stabilized and the growth in demand has gradually slowed down. Therefore, the industry is moving towards vertical integration, diversification, and conglomeration, and the Company has also extended its operation from the feed production to breeding and channel sales. In Sep. 2019, a subsidiary (Morn Sun Food Corp.) was established to engage in the washing and sorting of eggs and the sale of raw eggs in bulk containers, which increased the feed output of the parent company. In addition, the continuous reconstruction of pig farms increased the number of female breeding pigs and improved the rearing rate of pigs. If the number of piglets increased, we can cooperate with the contract pig farmers or sell piglets and then use our pig feed, which expands the breeding business and increases feed sales, strengthens competitiveness, and creates market share, thus increasing gross margins, stabilizing the growth of feeds, and increasing the profits.

Breeding technology

In response to the rapidly growing global demand for livestock products and to mitigate the impact of the livestock industry on the ecological environment, breeding technology has become the mainstream of industry development. Analyzing animal husbandry technology from the perspective of market demand and production supply, the former is mainly production-oriented, aims to meet the needs of consumers, takes into account the increased awareness of the consumers about environmental conservation, and emphasize on food hygiene and safety as well as the production and sales history certifications, in order to protect food safety for consumers and the right to food source traceability. The latter is production management oriented, introduces more accurate weather forecasting system, big data analysis and management, and intelligent AI breeding models in an interdisciplinary manner to improve the ability to cope with climate change, stabilize product output and quality, reduce waste in the production process, and increase the output value. For example, the emerging cold chain logistics system gradually allows domestic meat and eggs to maintain constant temperature from production to consumption, which increases the added

value of the products and ensures food safety, and can increase consumers' willingness to buy.

III. Future development strategy

The Company has always been conscientious, honest and pragmatic in business operations. Our future development strategy will be aimed at making profits and fulfilling our corporate social responsibility. We will strive to enhance our professional management capabilities to make our product lines more complete; actively manage our inventory, make vertical integration and one-stop operation to drive the performance of the Company's poultry and livestock feed business; fully utilize our research and development strength and excellent production processes to produce better feed and diversify into the meat and egg markets, in order to create impressive revenue and profit, and maximize shareholders' interests.

IV. Impact from external competitive environment, regulatory environment, and overall business environment

We always pay attention to the external competitive environment such as changes in raw materials and industry information, understand the relevant laws and regulations, and take measures in response to changes in the global business environment, so that we will not be affected by the external competitive environment, regulatory environment, and overall business environment.

Good health and good luck

Chairman: Qing-De, Wu

Chapter II. Corporate Governance

I. Data of Directors, Supervisors, Presidents, Vice Presidents, Assistant Managers, and heads of various departments and branches

(I) Profile of directors and supervisors:

1. Name, experience (education), shareholding and nature of shares held:

Apr. 30, 2025

Title	Nationality and registry	Name	Gender / Age	Date of election	Term (Year)	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note 5)
							Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
Chairman	Republic of China	Qing-De, Wu	Male Age 80-85	Jun. 27, 2022	3	Aug. 1, 2005	609,956	1.66%	714,925	1.73%	675,196	1.63%	0	0	Master of Commerce, Fu Jen Catholic University Enterprise Manager Class, National Chengchi University Financial Manager Class, National Sun Yat-sen University	Note 1	None	None	None	Note 1
Director	Republic of China	Maoyuan International Inc.	Not applicable	Jun. 27, 2022	3	Jun. 17, 2019	708,817	1.93%	797,099	1.93%	0	0	0	0	Not applicable	Not applicable	None	None	None	None
Director	Republic of China	Longde International Co., Ltd.	Not applicable	Jun. 27, 2022	3	Feb. 20, 2017	2,160,706	5.88%	2,429,820	5.88%	0	0	0	0	Not applicable	Not applicable	None	None	None	None
Director	Republic of China	Wei-Hong, Xu	Male Age 60-65	Jun. 27, 2022	3	Jun. 17, 2019	574,032	1.56%	645,526	1.56%	117,572	0.28%	0	0	Veterinary Training Class, National Pingtung University of Science and Technology Department of Marketing Management, TransWorld University Bachelor's Degree, Ching Kuo Institute of Management and Health	Management Department of Morn Sun Feed Mill Corp.	None	None	None	None
Independent Director	Republic of China	Jian-Yu, Li	Male Age 55-60	Jun. 27, 2022	3	Jun. 28, 2013	0	0	0	0	0	0	0	0	Ph.D., Institute of Business Administration, National Chiao Tung University	Note 2	None	None	None	None
Independent Director	Republic of China	Qian-Shan, Han	Male, Age 55-60	Jun. 27, 2022	3	Jun. 26, 2017	0	0	0	0	0	0	0	0	Ph.D., Institute of Finance, National Taiwan University Master, Institute of International Business, National Chengchi University	Note 3	None	None	None	None
Independent Director	Republic of China	Heng-Wei, Wei	Male Age 55-60	Jun. 27, 2022	3	Jun. 17, 2019	0	0	0	0	0	0	0	0	Ph.D., University of Aberdeen Agriculture Bachelor, Department of Animal Husbandry, and Master, Department (Institute) of Animal Husbandry, National Taiwan University	Note 4	None	None	None	None

- Note 1: Concurrently serve as the President of the Company. Currently the Chairman of Morn Sun Food and FineTek Co., Ltd., director of SwitchLab Inc., representative of corporate director of Formosa Oilseed Processing Co., Ltd., representative of corporate director of Top Food Industry Corporation, and director of Maode Investment Inc.
- Note 2: Current positions: the Professor of the Department of Finance and International Business, Fu Jen Catholic University.
- Note 3: Currently the Director of the Faculty Development & Instructional Resources Center, Fu Jen Catholic University, and the Associate Professor of the Department of Finance and International Business, Fu Jen Catholic University.
- Note 4: Currently the Associate Professor of the Department of Animal Science and Technology, College of Bioresources and Agriculture, National Taiwan University.
- Note 5: The Chairman and the President of the Company are the same person, which is mainly because he is familiar with the Company's industry. Later, we will re-elect the senior management or increase the number of independent directors in accordance with the relevant regulations.

2. Major Shareholders of corporate shareholders of Morn Sun Feed Mill:

Apr. 30, 2025

Corporate Shareholder Name	Major Shareholders of Corporate Shareholders
Maoyuan International Inc.	Da-Zhong, Huang 65.55%; Ren-Fen, Luo 34.45%
Longde International Co., Ltd.	Da-Zhong, Huang 20.17%; Yun-Hui, Huang 10.38%; Yun-Tian, Huang 10.00%; Yun-Wen, Huang 10.00%

3. Shareholders major shareholders of major corporate: None.

4. Profile of directors and supervisors:

(1) Disclosure of professional qualification of the directors and independence of directors and supervisors:

Qualification Name	Professional qualification and experience	Compliance of independence (Note)	Number of positions as an Independent Director in other public listed companies
Chairman: Qing-De, Wu	Possess at least five years of necessary working experience in commerce, legal, finance, accounting or business of the Company. Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: Concurrently serve as the President of the Company, the Chairman of Morn Sun Food and FineTek Co., Ltd., director of SwitchLab Inc., representative of corporate director of Formosa Oilseed Processing Co., Ltd., representative of corporate director of Top Food Industry Corporation, and director of Maode Investment Inc.	Not applicable.	0
Representative of Maoyuan International Inc.: Director, Ren-Fen, Luo	Possess at least five years of necessary working experience in commerce, legal, finance, accounting or business of the Company. Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: Manager, Animal Products Department, Morn Sun Feed Mill Corp.		0
Representative of Longde International Co., Ltd.: Director, Da-Zhong, Huang	Possess at least five years of necessary working experience in commerce, legal, finance, accounting or business of the Company. Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: Vice President, Manufacturing Department Morn Sun Feed Mill Corp.		0

Director: Wei-Hong, Xu	Possess at least five years of necessary working experience in commerce, legal, finance, accounting or business of the Company. Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: Corporate Management Department, Morn Sun Feed Mill Corp.		0
Jian-Yu, Li, Independent Director (Member of Audit Committee)	Does not meet any descriptions stated in Article 30 of the Company Act. Ph.D., Institute of Business Administration, National Chiao Tung University. Current positions: the Professor of the Department of Finance and International Business, Fu Jen Catholic University.	(A)~(D): None.	0
Qian-Shan, Han, Independent Director (Member of Audit Committee)	Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: the Director of the Faculty Development & Instructional Resources Center, Fu Jen Catholic University, and the Associate Professor of the Department of Finance and International Business, Fu Jen Catholic University.	(A)~(D): None.	0
Heng-Wei, Wei, Independent Director (Member of Audit Committee)	Does not meet any descriptions stated in Article 30 of the Company Act. Current positions: the Associate Professor of the Department of Animal Science and Technology, College of Bioresources and Agriculture, National Taiwan University.	(A)~(D): None.	0

Note: Describe the independence of the independent director,

- A. including but not limited to whether the person, spouse, and lineal relatives within the 2nd degree of kinship are the directors, supervisors or employees of the Company or its affiliated companies.
- B. The number and percentage of shares held by them, their spouses, their relatives within 2nd degree of kinship (or by using the names of others).
- C. Whether the person is a director, supervisor, or employee of a company with which the Company has a specific relationship (refer to Subparagraph 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- D. The amount of remuneration obtained for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the last two years.

(2) Diversity policy of Board members and their independence:

- A. Board Diversity: Description of the Board's diversity policy, objectives, and achievements. The diversity policy refers to, but is not limited to, the selection criteria of the Directors, the professional qualifications and experience required of the Board of Directors, and the composition or ratio of the Board in terms of gender, age, nationality, and cultural background. Descriptions are provided on the Company's specific objectives and the status of its achievements in accordance with the aforementioned policy.

On Mar. 15, 2021, the Board of Directors adopted the "Corporate Governance Best-Practice Principles", which stipulate the diversity policy in Article 20 "Strengthen the Functions of the Board of Directors". The nomination and selection of members of the Board of Directors of the Company follows the provisions of the Articles of Association with a candidate nomination system. In addition to evaluating the academic and work qualifications of the candidates, the Company also takes into

account the opinions of stakeholders and follows the “Procedures for Election of Directors” and the “Corporate Governance Best-Practice Principles” in order to ensure the diversity and independence of the Board members. The directors will make suggestions at the Board of Directors meeting in a timely manner for the reference of the Company's management. Last year (2024), the attendance rate of directors was 97% (including attendance by proxy), and all the motions proposed at the Board meetings were fully discussed and adopted.

Currently, the Company has 7 directors, including 1 female director. 4 directors have the related industrial background, 1 independent director is the Associate Professor of the Department of Animal Science and Technology, College of Bioresources and Agriculture, National Taiwan University, and 2 independent directors are professors of the Department of Finance and International Business, Fu Jen Catholic University.

The percentage of directors who are employees of the Company was 57%, and the percentage of independent directors was 43%. There is one female director, accounting for 14% of the total number of directors; one independent director serves for less than three years, and two independent directors serve for three to six years; four directors are aged 50-60, two are aged 60-65, and one is aged 80-85. The Company attaches importance to gender equality in the composition of the Board of Directors. Currently, there is one female director in the Board of Directors, and the Company will endeavor to increase the number of female directors to two in the future (accounting for 29% of the total number of directors). When needed, the Company will endeavor to elect a director with legal experience (14%).

Attached table: Diversity of Board Members

Name/diversity core	Nationality	Gender	With employee status	Age	Seniority of independent director	Industry experience				Professional capabilities			
						Livestock industry	Lecturer teaching commerce, law, finance, accounting, or related disciplines required for the Company's business in public or private universities and colleges, or higher education level	Judge, prosecutor, lawyer, accountant, or other specialized professionals and technicians who have passed national examinations and obtained certificates required for the Company's business	Others	Business management ability	Finance and accounting	Crisis management	Knowledge on international market
Chairman: Qing-De, Wu	Republic of China	Male	Yes	Age 80-85	0	V	-	-	-	V	V	V	V
Representative of Longde International Co., Ltd.: Director, Da-Zhong, Huang	Republic of China	Male	Yes	Age 50-55	0	V	-	-	-	V	-	V	-
Representative of Maoyuan International Inc.: Director, Ren-Fen, Luo	Republic of China	Female	Yes	Age 60-65	0	V	-	-	-	V	-	V	V
Director: Wei-Hong, Xu	Republic of China	Male	Yes	Age 60-65	0	V	-	-	-	V	-	V	-

Independent Director: Juan-Yu, Li	Republic of China	Male	No	Age 56-60	2	-	V	-	-	V	V	V	V
Independent Director: Qian-Shan, Han	Republic of China	Male	No	Age 56-60	7	-	V	-	-	V	V	V	V
Independent Director: Heng-Wei, Wei	Republic of China	Male	No	Age 56-60	5	V	V	-	-	V	V	V	V

- B. Independence of the Board of Directors: state the number and proportion of independent directors, explain the independence of the Board of Directors with explanation on whether there are circumstances stipulated in Items 3 and 4 Paragraph 3 of Article 26 of Securities and Exchange Act, including stating the directors, supervisors or directors and supervisors have spouses or relatives within the second degree or closer.
- (A) Currently, the Company has 7 directors, including 3 independent directors, accounting for 43% of the total number of directors.
- (B) The nomination and selection of members of the Board of Directors of the Company follows the provisions of the Articles of Association with a candidate nomination system. In addition to evaluating the academic and work qualifications of the candidates, the Company also takes into account the opinions of stakeholders and follows the “Procedures for Election of Directors” and the “Corporate Governance Best-Practice Principles” in order to ensure the diversity and independence of the Board members. The directors will make suggestions at the Board of Directors meeting in a timely manner for the reference of the Company's management.
- (C) Circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of Securities and Exchange Act, including stating whether the directors, supervisors or directors and supervisors have spouses or relatives within the second degree of kinship: None.

(II) Presidents, Vice Presidents, Assistant Managers and the heads of various departments and branches:

Apr. 24, 2025 Unit: shares; %

Title	Nationality	Name	Gender	Date assumed position	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managerial officers			Remark
					Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
President	Republic of China	Qing-De, Wu	Male	Nov. 11, 2022	714,925	1.73%	675,196	1.63%	0	0	Master of Commerce, Fu Jen Catholic University Enterprise Manager Class, National Chengchi University Financial Manager Class, National Sun Yat-sen University	Note 1	None	None	None	None
Vice President of the Business Department	Republic of China	Liang-Hong, Zhong	Male	Sep. 1, 2019	103,897	0.25%	59,528	0.14%	0	0	Department of Veterinary Medicine, NPUST	None	None	None	None	None
Vice President	Republic of China	Da-Zhong, Huang	Male	Apr. 1, 2017	594,174	1.44%	376,291	0.91%	0	0	Department of Electrical Engineering, Second Specialty School, Vanung University Senior Engineer of Taiwan Mobile	Longde International Co., Ltd./ Chairman Maode Investment Inc./ Chairman	None	None	None	None
Assistant Manager of the Accounting Department	Republic of China	Ming-Qiu, Ye	Male	Apr. 1, 2017	491,495	1.19%	7,515	0.02%	0	0	Department of Business Administration, National Chung Hsing University	Morn Sun Food Corp./ Financial supervisor Top Food Industry Corporation / Representative of Corporate director	None	None	None	None
Manager of the Management Department	Republic of China	Xin-Hong, Lin	Male	Dec. 1, 2021	38,240	0.09%	200,957	0.49%	0	0	Master of Fu Jen Catholic University and Department of Statistics, Tamkang University	None	None	None	None	None
Manager of Animal Products Department Note 2	Republic of China	An-Zong, Li	Male	Mar. 5, 2019	28,644	0.07%	0	0	0	0	Southern Taiwan University of Science and Technology Computer Room Officer and Vice Plant Manager, Morn Sun Feed Mill Corp.	None	None	None	None	None
Accounting Manager	Republic of China	Shao-Qi, Qiu	Male	May 9, 2022	0	0	0	0	0	0	Department of Accounting, Soochow University Assistant Review Manager, Deloitte & Touche	Morn Sun Food Corp./ Accounting Manager	None	None	None	None
Audit Supervisor	Republic of China	Xiu-Ling, Zeng	Female	Aug. 11, 2017	90	0.01%	0	0	0	0	Master, Institute of Business Management, National Sun Yat-sen University Assistant Auditing Manager, Huayulien Development Co., Ltd. Auditing Manager, Hai Kwang Enterprise Corporation Auditor, Advanced International Multitech Co., Ltd.	None	None	None	None	None

Note 1: President Qing-De, Wu is currently the Chairman of Morn Sun Feed Mill, Morn Sun Food and FineTek Co., Ltd., director of SwitchLab Inc., representative of corporate director of Formosa Oilseed Processing Co., Ltd., representative of corporate director of Top Food Industry Corporation, and director of Maode Investment Inc.

Note 2: Resigned on Jan. 3, 2025 (statistics until the date of resignation).

II. Remuneration payment to directors, supervisors, presidents, and vice presidents in the latest year

(I) Remuneration payment to general directors and independent directors in the latest year (2024):

Unit: NT\$ thousand

Title	Name	Remuneration to Directors								The sum of A, B, C and D as a percentage of after-tax profit %		Remuneration as an employee								The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit %		Remuneration received from the invested companies other than the subsidiaries and the parent company	
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Remuneration to employees (G)							
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report				
Chairman	Qing-De, Wu	2,520	2,520	0	0	7,500	7,500	126	126	10,146 5.65%	10,146 5.65%	3,048	3,048	165	165	289	0	289	0	13,648 7.60%	13,648 7.60%	0	
Corporate director	Representative of Longde International Co., Ltd.																						
	Representative of Maoyuan International Inc.																						
Director	Wei-Hong, Xu																						
Independent Director	Qian-Shan, Han	828	828	0	0	0	0	94	94	922 0.51%	922 0.51%	0	0	0	0	0	0	0	0	922 0.51%	922 0.51%	0	
	Jian-Yu, Li																						
	Heng-Wei, Wei																						
<p>1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors:</p> <p>Independent directors receive a fixed monthly remuneration that is approved by the Remuneration Committee and discussed and approved by the Board of Directors, and receive the same traffic allowance for attending the Board meetings as other directors, which is approved by the Remuneration Committee and discussed and approved by the Board of Directors; at the same time, the remuneration policy, system, standard and structure, as well as the responsibilities, risks, and working time of the independent directors are determined based on their contributions to the Company, the level of their industry peers, the Company's future operational risks and their positive correlation with the Company's operating performance, in order to strike a balance between sustainable operations and risk control. The independent directors attended all the Board meetings in 2024 and made suggestions at the meetings, which were helpful to the Company's operation.</p> <p>2. Other than those disposed in the Table above, remuneration received by company directors in the recent year for services provided to a company as mentioned in the financial report (e.g. consultancy service without the title of an employee): None.</p>																							

Table of salaries scale

Remunerations to individual directors in respective brackets along the salaries scale	Name of director			
	Total of the aforementioned 4 items (A+B+C+D)		Total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
< NT\$1,000,000	Qian-Shan, Han; Jian-Yu, Li; Heng-Wei, Wei	Qian-Shan, Han; Jian-Yu, Li; Heng-Wei, Wei	Qian-Shan, Han; Jian-Yu, Li; Heng-Wei, Wei	Qian-Shan, Han; Jian-Yu, Li; Heng-Wei, Wei
NT\$1,000,000 - NT\$2,000,000 (exclusive)	Representative of Longde International Co., Ltd., Hong and Maoyuan International Inc., Wei-Hong, Xu	Representative of Longde International Co., Ltd., Hong and Maoyuan International Inc., Wei-Hong, Xu	Representative of Longde International Co., Ltd., Hong and Maoyuan International Inc., Wei-Hong, Xu	Representative of Longde International Co., Ltd., Hong and Maoyuan International Inc., Wei-Hong, Xu
NT\$2,000,000 - NT\$3,500,000 (exclusive)	None	None	None	None
NT\$3,500,000 - NT\$5,000,000 (exclusive)	Qing-De, Wu	Qing-De, Wu	Qing-De, Wu	Qing-De, Wu
NT\$5,000,000 - NT\$10,000,000 (exclusive)	None	None	None	None
NT\$10,000,000 - NT\$15,000,000 (exclusive)	None	None	None	None
NT\$15,000,000 - NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,000 - NT\$50,000,000 (exclusive)	None	None	None	None
NT\$50,000,000 - NT\$100,000,000 (exclusive)	None	None	None	None
> NT\$100,000,000	None	None	None	None
Total	7	7	7	7

(II) Remuneration payment to supervisors in the latest year (2024): Not applicable (the Company has set up an Audit Committee since 2017).

(III) Remuneration payment to presidents, and vice presidents in the latest year (2024):

Unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				The sum of A, B, C D as a percentage of after-tax profit (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Qing-De, Wu	2,661	2,661	160	160	333	333	1,415	0	1,415	0	4,569 2.54%	4,569 2.54%	0
Vice President	Liang-Hong, Zhong													
Vice President	Da-Zhong, Huang													

Table of salaries scale

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company	All companies shown in the financial report
< NT\$1,000,000	None	None
NT\$1,000,000 - NT\$2,000,000 (exclusive)	Liang-Hong, Zhong; Da-Zhong, Huang	Liang-Hong, Zhong; Da-Zhong, Huang
NT\$2,000,000 - NT\$3,500,000 (exclusive)	None	None
NT\$3,500,000 - NT\$5,000,000 (exclusive)	None	None
NT\$5,000,000 - NT\$10,000,000 (exclusive)	None	None
NT\$10,000,000 - NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 - NT\$30,000,000 (exclusive)	None	None
NT\$30,000,000 - NT\$50,000,000 (exclusive)	None	None
NT\$50,000,000 - NT\$100,000,000 (exclusive)	None	None
> NT\$100,000,000	None	None
Total	2	2

(IV) Name of the managers received remuneration and the distribution of remuneration:

Dec. 31, 2024; Unit: NT\$ thousand

Title	Name	Stock dividend amount	Cash dividend amount	Total	As a percentage of net profit after tax
President	Qing-De, Wu	0	2,100	2,100	1.17%
Vice President	Liang-Hong, Zhong				
Vice President	Da-Zhong, Huang				
Financial supervisor	Ming-Qiu, Ye				
Accounting Manager	Shao-Qi, Qiu				
Manager of Animal Products Department	An-Zong, Li				
Manager of the Management Department	Xin-Hong, Lin				

(V) Separately compare and describe total remuneration, as a percentage of reports or individual financial reports net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the individual or consolidated financial statements during the last two years to directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of total remuneration, as a percentage of net income paid by the Company during the last two years to directors, supervisors, presidents, and vice presidents of the Company and all companies in the consolidated financial statements:

Title	The Company				All companies in the consolidated financial statements			
	2023		2024		2023		2024	
	Total	As a percentage of net profit after tax	Total	As a percentage of net profit after tax	Total	As a percentage of net profit after tax	Total	As a percentage of net profit after tax
Remuneration to Directors	13,951	8.59%	14,570	8.11%	13,951	8.59%	14,570	8.11%
Remuneration to President and Vice President	3,991	2.46%	4,569	2.54%	3,991	2.46%	4,569	2.54%
Net profit after tax	162,310	-	179,603	-	162,310	-	179,603	-

The remuneration to directors and the **remuneration to President and Vice President** in 2024 increased compared to those in 2023, which was due to an increase in net profit after tax in 2024.

2. Remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure: The Company established a Remuneration Committee on Mar. 31, 2017. The remunerations to directors and managers will be proposed and approved by the Remuneration Committee before being submitted to the Board of Directors for discussion and resolution.

*** Policy, Standard and Packages of Remuneration**

- (1) Directors' remuneration includes salaries, traffic allowance and emoluments (in accordance with the Company's Articles of Incorporation, in the event that the Company makes a profit, no more than 5% of the profit shall be set aside as directors' emoluments). The Board of Directors periodically evaluates the remuneration of the directors in accordance with the "Rules for Performance Evaluation of Board of Directors" by reference to the directors' participation in the Company's operations and the value of their contributions, and the level (amount) of salaries disclosed by their industry peers in the annual report of the shareholders' meeting. The important evaluation items of the directors' remuneration and ratios are as follows: the number of meetings attended, the discussion on international political and economic changes at meetings, and the suggestions made at meetings, etc. To guarantee reasonableness, the remuneration is proposed and approved by the Remuneration Committee before being submitted to the Board of Directors for discussion and resolution.
 - A. Operating performance: Taking into account the annual operating revenue growth of 3-5%, net profit before tax growth of 3-5%, and non-operating income growth of 5-8%, the amount/ratio of contribution will be increased according to the annual profit.
 - B. Peer level: The average remuneration of directors in TWSE/TPEx listed companies in the same industry or peer companies will be taken into consideration.

In summary, due to the relative increase in net operating profit arising from the increase in gross operating margin in 2024, and better operating performance than the last year, the director evaluation results in 2024 were higher than last year, therefore, the directors' remuneration increased by about 4.4% compared to last year and accounted for 8.11% of the net profit after tax in 2024. At the same time, due to the better operating performance, in order to share the operating results with the employees, the average salary of the full-time employees who are not in the management position was adjusted appropriately (increasing by 2-3%).

- (2) President's and Vice Presidents' remunerations include salary, bonus and employee emoluments (in accordance with the Company's Articles of Incorporation, in the event that the Company makes a profit, 1.5% of the profit shall be set aside as employees' emoluments). Salary and bonus are based on the salary level in the industry market, the scope of authority and responsibility of the position, and the manager's bonus is based on the financial indicators, such as the overall performance of the manager's department, and the number of products and tonnage sold by the manager

should reach the targets set for the year, when the number of days of collection is achieved and decreases; and the manager is given a reasonable remuneration based on the Company's non-financial indicators, such as the degree of the manager's participation in the Company's operations in the year and the contribution value. However, the manager may be from departments that are engaged in the development of projects or the research and development of new products, and is given a reasonable remuneration if there is any other contribution to his/her department.

- (3) The Company's remuneration packages are determined in accordance with the organizational rules of the Remuneration Committee, and include cash remuneration, stock options, dividends, retirement benefits or resignation benefits, various allowances, and other measures with substantial rewards; its scope should be consistent with the remuneration of directors and managers in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

*** Procedures for formulating remuneration**

- (1) In order to evaluate the remuneration of directors and managers on a regular basis, the evaluation results of the Company's "Performance Evaluation and Remuneration Policies for Directors and Managers" and the annual "Personnel Appraisal Form" applicable to managers and employees are used as the basis, respectively. The remunerations to the Chairman and the President are determined with reference to the peer levels and the operating performance indicators of the affiliated companies, which will first be proposed and approved by the Remuneration Committee, and then submitted to the Board of Directors for approval. In order to fully demonstrate the achievement of the operating performance indicators, the Chairman's performance is measured based on the results of the Company's annual operating indicators related to operation, governance and financial results, and the scope of evaluation includes: net profit before tax, credit ratings, customer satisfaction, and corporate governance evaluation, etc.; the scope of the President's performance measurement and evaluation includes: operational safety management, supervising the execution of financial plans, revenue management, promoting the autonomy of the maintenance capability, strengthening internal control, and implementing quality assurance and management, and other performance objectives related to major work responsibilities.
- (2) The self-evaluation results of the performance of the Board of Directors, Board members, and members of the functional committees for 2024 significantly exceeded the standards. In addition, the political and economic situations and the consumer market in 2023 and 2024 generally recovered to normal after the ravages of the COVID-19 epidemic in 2022, which resulted in an continued increase in profit of the Company in 2024, and bonuses were distributed after being approved by the Remuneration Committee and the Board of Directors according to the annual appraisal.
- (3) The performance evaluation and remuneration reasonableness of the Company's directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors on an annual basis. In addition to individual's performance achievement rate and contribution to the Company, the remuneration system is reviewed from time to time

according to the Company's overall operating performance, the future risks and development trend of the industry, the actual operating conditions and the relevant laws and regulations. A reasonable remuneration is given according to the current trend of corporate governance, in order to strike a balance between sustainable operation and risk control of the Company. The actual amounts of directors' and managers' remunerations for the year ended Dec. 31, 2024 are determined in accordance with the remuneration policies, standards, and packages, reviewed by the Remuneration Committee and approved by the Board of Directors.

*** Linkage operating performance and future risk exposure**

- (1) The Company's remuneration policy and related payment standards and system are reviewed mainly according to the Company's overall operating conditions, and the payment standards are determined based on the performance achievement rate and contribution, in order to enhance the overall organizational efficiency of the Board of Directors and the management department. In addition, the Company also makes reference to the industry's remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry, in order to retain outstanding management personnel.
- (2) The Company's manager performance objectives are linked to "risk control" to ensure that potential risks within the scope of responsibilities can be managed and prevented, and based on the results of the actual performance appraisal, the Company will link the relevant human resources and related remuneration policies. The material decisions of the Company's management are made after balancing various risk factors where the outcome of said decisions is reflected in the Company's profit. The management's remuneration is related to the performance on risk control.
- (3) Remuneration to directors, president and vice president includes long-term incentives in the form of stock or stock appreciation rights, which are not paid in full in the year when the earnings are generated. The actual value of these incentives is related to the future stock price, which means that they shall share the future operational risks with the Company.
- (4) The relevant remunerations are determined based on the contributions to the Company, the level of industry peers, the Company's future operational risks and the positive correlation with the Company's operating performance, in order to strike a balance between sustainable operations and risk control.

III. Information on implementation of corporate governance

- (I) Facts about performance by the board of directors:

The Board of Directors convened 5 meetings in the latest year (2024) and the participation of the directors are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A) (Note)	Remark
Chairman	Qing-De, Wu	5	0	100	Attended the meeting in person

Director	Representative of Longde International Co., Ltd.: Da-Zhong, Huang	5	0	100	Attended the meeting in person
Director	Representative of Maoyuan International Inc.: Ren-Fen, Luo	4	0	80	Except for absence once Attended the meeting in person
Director	Wei-Hong, Xu	5	0	100	Attended the meeting in person
Independent Director	Qian-Shan, Han	5	0	100	Attended the meeting in person
Independent Director	Jian-Yu, Li	5	0	100	Attended the meeting in person
Independent Director	Heng-Wei, Wei	5	0	100	Attended the meeting in person

Other remarks:

- I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors

(I) Issues required under Article 14-3 of the Securities and Exchange Act:

Date of the Board of Directors	Session	Discussion	All Independent Directors' opinions	Acts taken by the Company in response to Independent Directors' opinions
Mar. 11, 2024	1st meeting in 2024	Approved the issuance of new shares by capitalization of retained earnings.	No objection or qualified opinion.	No, all directors present had no objection and approved as proposed.
Aug. 12, 2024	3rd meeting in 2024	Approved the provision of endorsements/guarantees to subsidiary.	No objection or qualified opinion.	No, all directors present had no objection and approved as proposed.
Nov. 11, 2024	4th meeting in 2024	Approved the retroactive recognition of the Company's derivative transaction. Approve the amendment of the Company's internal control system. Approved the provision of endorsements/guarantees to subsidiary.	No objection or qualified opinion.	No, all directors present had no objection and approved as proposed.

(II) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.				
II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:				
Date of the Board of Directors	Session	Discussion	All Independent Directors' opinions	Acts taken by the Company in response to Independent Directors' opinions
May 10, 2024	2nd meeting in 2024	Approved the election of members of the Company's Sustainable Development Committee. (The stakeholders, Chairman Qing-De, Wu and Director Da-Zhong, Huang, were elected as the members of the Committee, and therefore avoided participating in the discussion and voting.)	No objection or qualified opinion.	No, all directors present had no objection and approved as proposed.
Dec. 20, 2024	5th meeting in 2024	Approved the donation to "Taiwan Xianglong Evergreen Lohas Promotion Association". (The stakeholders, Chairman Qing-De, Wu and Director Da-Zhong, Huang, are director and supervisor of the Association, respectively, and therefore avoided participating in the discussion and voting.)	No objection or qualified opinion.	No, all directors present had no objection and approved as proposed.
III. TWSE/TPEX listed companies are required to disclose the cycle, duration, scope, method and content of board self-evaluations (or peer-evaluation) performed, and fill in the attached table to disclose the implementation of the evaluation on Board of Directors: please refer to the attached table below for details.				
IV. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, enhancing information transparency, etc.) and the status of implementation: The Functional Committees conducted internal performance evaluations; please refer to the attached table below for details.				
(I) In order to strengthen the functions of the Board of Directors, enhance the corporate governance system, improve the supervisory function and strengthen the management function, the Company formally adopted the audit committee system after the additional election of 4 directors (including 3 independent directors) at the general meeting of shareholders held on Jun. 26, 2017; currently, the Board of Directors has appointed 3 independent directors to establish the Remuneration Committee.				

- (II) Implement corporate governance and enhance information transparency: The Company has convened board meetings in accordance with the “Rules of Procedure for Board of Directors Meetings” and disclosed all major board resolutions and their implementation status in the Company’s annual report, website and the MOPS.
- (III) The Company regularly arranges for its directors to participate in professional development programs, and the number of training hours in 2024 met the requirements.
- (IV) The Company has established a Remuneration Committee to perform the duties of recommending the remunerations to directors and managers and submit various motions to the Board of Directors for report or discussion in accordance with the laws and regulations, which will be disclosed in the Company’s annual report, website and the MOPS.
- (V) The Company’s Board of Directors actively strengthens the its functions and implements corporate governance through the division of labor among the functional committees.

Note: (1) If there is a demission of any director or supervisor before the end of the year, the date of demission shall be stated in the Remarks column, and the actual attendance rate (%) shall calculated based on the number of board meetings and actual attendance during the tenure.

(2) If there is a re-election of any director or supervisor before the end of the year, both the new and old directors or supervisors shall be listed, and a note shall be made in the Remarks column stating whether the director or supervisor is old, new or re-elected, and the date of re-election. The actual attendance rate (%) of a director is calculated based on the number of board meetings and actual attendance during his tenure.

Attached table:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Evaluation performed once a year	From Jan. 1, 2024 to Dec. 31, 2024	The Board of Directors, Individual Board member	Internal self-evaluation by the Board of Directors, self-assessment of the Board member	<p>The Board of Directors is evaluated from the following five dimensions:</p> <ul style="list-style-type: none"> I. Level of participation in the Company’s operations. II. Decision quality of the Board of Directors. III. Composition and structure of the Board of Directors. IV. Election and ongoing education of directors. V. Internal Control <p>The Board members are evaluated from the following six dimensions:</p> <ul style="list-style-type: none"> I. Director’s awareness toward the Company’s goals and missions. II. Director’s awareness to duties. III. Level of participation in the Company’s operations. IV. Management and communication of internal relations. V. Professionalism and ongoing education of directors. VI. Internal Control

已註解 [User1]: 原文年份錯誤，原文 113 年 1 月 1 日至 111 年 12 月 31 日

Evaluation performed once a year	From Jan. 1, 2024 to Dec. 31, 2024	Members of Functional Committees (including Audit Committee and Remuneration Committee)	Self-evaluation of functional committees	<p>The functional committees are evaluated from the following five dimensions:</p> <p>I. Level of participation in the Company's operations.</p> <p>II. Awareness of the duties of functional committee.</p> <p>III. Improve the quality of functional committees' decision-making.</p> <p>IV. Composition of functional committees and election of members.</p> <p>V. Internal control.</p>
----------------------------------	------------------------------------	---	--	--

Note 1: Fill in the execution cycle of the board evaluation, e.g., once a year.

Note 2: Fill in the period covered by the board evaluation, e.g., evaluating the performance of the Board of Directors from Jan. 1, 2024 to Dec. 31, 2024.

Note 3: The scope of evaluation includes the performance evaluation on the Board of Directors, individual board members, and functional committees.

Note 4: The method of evaluation includes internal self-evaluation by the Board of Directors, self-evaluation by Board members, peer evaluation, appointment of external professional agency and experts, or other appropriate methods for performance evaluation.

Note 5: The contents of the evaluation shall include at least the following items according to the scope of the evaluation:

- (1) Performance Evaluation of the Board of Directors: at least including the level of participation in the Company's operations, the decision quality of the Board of Directors, the composition and structure of the Board of Directors, the election and ongoing education of directors, and the internal control.
- (2) Performance evaluation of individual board members: at least including the director's awareness toward the Company's goals and missions, the director's awareness to duties, the level of participation in the Company's operations, the management and communication of internal relations, the professionalism and ongoing education of directors, and the internal control.

The implementation of the Board of Directors and the Functional Committee:

The Company's Board of Directors resolved to adopt the "Rules for Performance Evaluation of Board of Directors" on Nov. 9, 2020, which stipulate that the Board of Directors shall conduct performance evaluations of the Board of Directors, the Board members, the Remuneration Committee, and the Audit Committee at least once a year, and shall appoint an external independent professional agency or a team of external experts to conduct the evaluation at least once every three years.

The internal performance evaluation for a year shall be conducted at the end of that year in accordance with these Rules.

1. The Board meeting held on Mar. 14, 2025 reported the results of the self-evaluation of directors for 2024. The results of the internal performance evaluation of the directors for 2024 all reached the self-evaluation standards, including "Excellent" for 81.4%, "Good" for 18.0%, and "Others" for 0.6%. The results of the performance evaluation are used as a reference for the election or nomination of directors, and the results of the performance evaluation of individual directors are used as a reference for determining the individual remuneration of the directors.
2. The Board meeting held on Mar. 14, 2025 reported the results of the self-evaluation of the Board of Directors for 2024. The results of the internal performance evaluation of the Board of Directors for 2024 all reached the self-evaluation standards, including "Excellent" for 74.0%, "Good" for 19.0%, and "Others" for 4.8%, which fully demonstrated that the Company has achieved the results of

- strengthening the efficiency of the Board of Directors.
3. On Mar. 14, 2025, the Board of Directors reported the results of the self-evaluation of the Audit Committee members for 2024. The results of the performance evaluation of the Company's Audit Committee for 2024 all reached the evaluation standards, including “Excellent” for 87.9% and “Good” for 12.1%.
 4. On Mar. 14, 2025, the Board of Directors reported the results of the self-evaluation of the Remuneration Committee members for 2024. The results of the performance evaluation of the Company's Remuneration Committee for 2024 all reached the evaluation standards, including “Excellent” for 89.5% and “Good” for 10.5%.
- (II) The state of operations of the audit committee or the state of participation in board meetings by the supervisors:
1. The state of operations of Audit Committee:
At the General Meeting of Shareholders held on Jun. 26, 2017, the Company elected four additional directors (including three independent directors) and replaced the supervisors with an audit committee composed of all independent directors in accordance with the Company's Articles of Incorporation.
Annual business highlights and operational reviews of the Audit Committee:
 - (1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Effectiveness of internal control policies.
 - (3) Establish or amend procedures for handling material financial operations such as acquisition or disposal of assets, derivatives trading, loaning funds to others, and providing endorsements/guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (4) Matters in which a director has a personal interest.
 - (5) Material asset or derivatives trading.
 - (6) Material loan of funds, endorsements or guarantees.
 - (7) Offering, issuance or private placement of equity securities.
 - (8) The appointment, dismissal or remuneration of CPAs.
 - (9) Appointment and dismissal of the financial supervisor, chief accountant or internal audit officer.
 - (10) Annual financial reports and semi-annual financial reports.
 - (11) Other material matters as stipulated by the Company or the competent authorities.

The Audit Committee convened 5 meetings (A) in the latest year (2024) and the participation of the independent directors are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Independent Director	Qian-Shan, Han	5	0	100	Attended the meeting in person
Independent Director	Jian-Yu, Li	5	0	100	Attended the meeting in person
Independent Director	Heng-Wei, Wei	5	0	100	Attended the meeting in person

Other remarks:

- I. Where any one among those enumerated below exists as the performance by the Audit Committee, the convention date, term, contents of agenda, outcome of the decision resolved in the Audit Committee as well as the Company's opinions toward the Audit Committee's opinions should be expressly remarked:
(I) Issues required under Article 14-5 of the Securities and Exchange Act:

(Audit Committee) Date	(Audit Committee) Session	Discussion	Resolution	The Company's handling of the Audit Committee's opinion
Aug. 12, 2024	12th meeting of the 3rd Audit Committee	Approved the provision of endorsements/guarantees to subsidiary.	All committee members present (independent directors had no objection) had no objection and approved as proposed.	Proposed to the Board of Directors for approval by all directors present.
Mar. 11, 2024	10th meeting of the 3rd Audit Committee	Approved the Company's 2023 annual business report and financial statements (including consolidated financial statements). Approved the issuance of new shares by capitalization of retained earnings. Proposal for the effectiveness of the Company's internal control system and the "Internal Control Statement" for 2023.	All committee members present (independent directors had no objection) had no objection and approved as proposed.	Proposed to the Board of Directors for approval by all directors present.
Aug. 12, 2024	12th meeting of the 3rd Audit Committee	Approved the proposal for the Consolidated Financial Statements for the Q2 of 2024. Approved the provision of endorsements/guarantees to subsidiary.	All committee members present (independent directors had no objection) had no objection and approved as proposed.	Proposed to the Board of Directors for approval by all directors present.
Nov. 11, 2024	13th meeting of the 3rd Audit Committee	Approved the retroactive recognition of the Company's derivative transaction. Approve the amendment of the Company's internal control system. Approved the provision of endorsements/guarantees to subsidiary.	All committee members present (independent directors had no objection) had no objection and approved as proposed.	Proposed to the Board of Directors for approval by all directors present.
Dec. 20, 2024	14th meeting of the 3rd Audit Committee	Approved the donation to "Taiwan Xianglong Evergreen Lohas Promotion Association". (The stakeholders, Chairman Qing-De, Wu and Director Da-Zhong, Huang, are director and supervisor of the Association,	All committee members present (independent directors had no objection) had no objection and approved as proposed.	Proposed to the Board of Directors for approval by all directors present.

		respectively, and therefore avoided participating in the discussion and voting.)	
	(II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None.		
II.	With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.		
III.	Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof):		
	(I) The Company's audit unit delivers the audit report or tracking report for the previous month to the independent directors for review on a monthly basis, and the independent directors give their responses or opinions as necessary, and report the latest audit status at the quarterly board meetings (5 meetings in 2024) . The independent directors are also entitled to review the Company's financial and business performance status at any time, and if they have any questions about the Company's related operations, they may communicate with the supervisors of the relevant units immediately for review and improvement.		
	1. A separate meeting between CPAs and the audit officer will be held at least once a year (Nov. 11, 2024), and the communications will be made into meeting minutes and reported to the Board of Directors.		
	2. In 2024, the Company's audit unit delivered monthly audit reports or tracking reports to the independent directors for review, and the independent directors gave their responses or opinions as necessary. The Audit Committee held 5 meetings in 2024 to made relevant resolutions, and reported the latest audit status to the Board of Directors.		
	3. The Internal Audit Officer reports to the Audit Committee on a regular basis		
	4. Annual internal audit plan.		
	5. Annual professional training program for auditors.		
	6. Regularly report to the Audit Committee on the status of internal audit operations.		
	7. With respect to the participation of the CPAs in the Audit Committee, the CPAs attended the all 5 meetings of the Audit Committee in 2024. If the independent directors have any questions about the Company's financial and business conditions, they could communicate with the CPAs at any time to obtain appropriate responses through written materials and other means, and to provide guidance to the relevant units of the Company to review and improve the progress.		
	(II) With respect to communication with the CPAs, if the independent directors have any questions about the Company's financial and business conditions, they could communicate with the CPAs at any time and provide guidance to the relevant units of the Company to review and improve the progress.		
	Communication of independent directors, CPAs and audit officer in 2024:		
	Date	Attendees	Matters
	Before Audit Committee meeting on Nov. 11, 2024	Independent Director: Qian-Shan, Han Independent Director: Heng-Wei, Wei Independent Director: Jian-Yu, Li	1. 2025 audit plan 2. The Financial Statements for the Q3 of 2024 3. Establishment of operational procedures
			Proposals 1-4 were approved as proposed.

		CPA: Chung-Cheng, Chen Audit Supervisor: Xiu-Ling, Zeng	for the management of sustainability information 4. Report on disposal of securities and retroactive recognition of derivatives.	
--	--	--	---	--

Audit Committee Meeting of Morn Sun Feed Mill Corp. for 2024			Attendance		
Meeting Time	Term & Session	Main case	Jian-Yu, Li	Qian-Shan, Han	Heng-Wei, Wei
Mar. 11, 2024	10th meeting of the 3rd Audit Committee	<div><div>1. Reported the minutes of the last Audit Committee meeting and the status of implementation.</div><div>2. Reported the performance evaluation results of the Company's Audit Committee.</div><div>3. Reported the report of the Internal Audit Officer.</div><div>4. Reported the follow-up results of the improvement plan for the financial statements preparation abilities of the Company.</div><div>5. Reported that there were no new accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount in the Q4 of 2023.</div><div>1. Approved the Company's 2023 annual business report and financial statements (including consolidated financial statements).</div><div>2. Approved the proposal for the Company's 2023 earnings distribution plan.</div><div>3. Approved the issuance of new shares by capitalization of retained earnings.</div><div>4. Approved the evaluation of the effectiveness of the Company's internal control system and the "Internal Control Statement" for 2023.</div><div>5. Approved the proposal to the Company's "Rules of Procedure for Board of Directors Meetings".</div><div>6. Approved the amendment to the Company's "Rules of Procedure for Audit Committee Meetings".</div><div>7. Approved the proposal to replace the CPAs for the Company to cooperate in the internal adjustments of Deloitte & Touche.</div><div>8. Approved the periodic evaluation of the independence and suitability of the Company's CPAs.</div></div>	Attended in person	Attended in person	Attended in person

		All the above cases were approved by all members of the Audit Committee on Mar. 11, 2024. The Company's handling of the Audit Committee's opinion: approved by all directors present.	-		
May 10, 2024	11th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> 1. Reported the minutes of the last Audit Committee meeting and the status of implementation. 2. Reported the report of the Internal Audit Officer. 3. Approved the proposal for the Consolidated Financial Statements for the Q1 of 2024. 4. Approved the proposal for formulation of the "Charter of the Sustainable Development Committee". 5. Approved the accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds. 	Attended in person	Attended in person	Attended in person
		All the above cases were approved by all members of the Audit Committee on May 10, 2024. The Company's handling of the Audit Committee's opinion: approved by all directors present.	-		
Aug. 12, 2024	12th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> 1. Reported the minutes of the last Audit Committee meeting and the status of implementation. 2. The report of the Internal Audit Officer. 3. Approved the Consolidated Financial Statements for the Q2 of 2024. 4. Approved the provision of endorsements/guarantees to subsidiary Morn Sun Food Corp. 5. Approved the accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds. 	Attended in person	Attended in person	Attended in person
		All the above cases were approved by all members of the Audit Committee on Aug. 12, 2024. The Company's handling of the Audit Committee's opinion: approved by all directors present.	-		
Nov. 11, 2024	13th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> 1. Reported the minutes of the last Audit Committee meeting and the status of implementation. 2. The report of the Internal Audit Officer. 	Attended in person	Attended in person	Attended in person

		3. Reported the Company's disposal of securities. 4. Approved the retroactive recognition of the Company's derivatives. 5. Approved the Consolidated Financial Statements for the Q3 of 2024. 6. Approved the formulation of "Operating Procedures for the Preparation and Assurance of Sustainability Report" of the Company. 7. Approved the addition of the operating procedures for the management of sustainability information, and the audit items into the Company's internal control system and internal audit implementation rules. 8. Approved the Company's 2025 annual audit plan. 9. Approved the discussion that accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds. 10. Approved the provision of endorsements/guarantees by the Company to subsidiary Morn Sun Food Corp.			
		All the above cases were approved by all members of the Audit Committee on Nov. 11, 2024. The Company's handling of the Audit Committee's opinion: approved by all directors present.	-		
Dec. 20, 2024	14th meeting of the 3rd Audit Committee	1. Approved the proposal for the Company's 2025 operation plan. 2. Approved the Company's donation to "Taiwan Xianglong Evergreen Lohas Promotion Association".	Attended in person	Attended in person	Attended in person
		All the above cases were approved by all members of the Audit Committee on Dec. 20, 2024. The Company's handling of the Audit Committee's opinion: approved by all directors present.	-		

2. The state of operations of the state of participation in board meetings by the supervisors:

After the General Meeting of Shareholders held on Jun. 26, 2017, the Company replaced the supervisors with an audit committee composed of all independent directors in accordance with the Company's Articles of Incorporation.

(III) Performance in corporate governance and the differential gap between corporate governance and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the cause thereof:

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	V		The Company has established the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, and the Corporate Social Responsibility Best Practice Principles, which have been disclosed on the MOPS.	No major discrepancy.
II. Shareholding structure and shareholders' equity				
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the implemented accordingly?	V		(I) In addition to having a spokesperson and deputy spokesperson for shareholders' proposals or questions, the Company has appointed a professional stock agency and personnel to handle shareholders' proposals or disputes.	No major discrepancy.
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	V		(II) The Company has a professional stock agency and can possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders.	No major discrepancy.
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	V		(III) The Company has established the "Regulations Governing Related Party Transactions" and other specific written financial business practices to regulate transactions with related parties.	No major discrepancy.
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	V		(IV) The Company has established the "Regulations Governing the Prevention of Insider Trading", the relevant internal personnel shall comply with relevant laws and regulations and internal operating procedures, and shall not engage in insider trading by	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			utilizing non-public information that comes to their knowledge, and shall not disclose such non-public information to others in order to prevent others from utilizing such non-public information to engage in insider trading.	
III. The constitution and obligations of the board of directors (I) Whether the diversity policy and specific management objectives are established and implemented by the Board of Directors?	V		(I) The members of the Company's Board of Directors have expertise in various fields that contribute to the Company's operational decisions. 1. On Mar. 15, 2021, the Board of Directors adopted the "Corporate Governance Best-Practice Principles", which stipulate the diversity policy in Article 20 "Strengthen the Functions of the Board of Directors". The nomination and selection of members of the Board of Directors of the Company follows the provisions of the Articles of Association with a candidate nomination system. In addition to evaluating the academic and work qualifications of the candidates, the Company also takes into account the opinions of stakeholders and follows the "Procedures for Election of Directors" and the "Corporate Governance Best-Practice Principles" in order to ensure the diversity and independence of the Board members. The directors will	There are no significant differences from Article 20 of the "Corporate Governance Best-Practice Principles".

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>make suggestions at the Board of Directors meeting in a timely manner for the reference of the Company's management. Last year (2024), the attendance rate of directors was 97% (including attendance by proxy), and all the motions proposed at the Board meetings were fully discussed and adopted.</p> <p>2. Currently, the Company has 7 directors, including 1 female director. 4 directors have the related industrial background, 1 independent director is an associate professor related to animal husbandry at National Taiwan University, and 2 independent directors are professors of the Department of Finance and International Business, Fu Jen Catholic University.</p> <p>3. The percentage of directors who are employees of the Company was 57%, and the percentage of independent directors was 43%. There is one female director, accounting for 14% of the total number of directors; one independent director serves for less than three years, and two independent directors serve for three to six years; four directors are aged 50-60, two are aged 60-65, and one is aged 80-85. The Company attaches importance to gender equality in the composition of the Board of Directors.</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			Currently, there is one female director in the Board of Directors, and the Company will endeavor to increase the number of female directors to two in the future (accounting for 29% of the total number of directors). When needed, the Company will endeavor to elect a director with legal experience (14%). The Board of Directors has established diversity policy for the composition of directors, which has been disclosed on the Company's website and the MOPS.	
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?		V	(II) The Company has established a Remuneration Committee and an Audit Committee, and will evaluate the establishment of other functional committees in the future.	In the future, the Company will handle the relevant matters as needed or in accordance with the law.
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	V		(III) The Company's Board of Directors resolved to adopt the "Rules for Performance Evaluation of Board of Directors" on Nov. 9, 2020. The performance evaluation of the Company's Board of Directors shall be conducted at least once every three years by an external independent professional agency or a team of external experts. (For details, please refer to the attached Table A) The performance evaluation was conducted periodically in 2024	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Will the Company have the independence of the public accountant evaluated regularly? (For details, please refer to the attached Table B: Evaluation standards for independence of CPAs)	V		<p>and the evaluation results were reported at the Board meeting held on Mar. 14, 2025.</p> <p>Performance evaluation results of the Board of Directors: In 2024, the Company's internal performance evaluation of the Board of Directors all reached the standard of "Good" or above, which fully demonstrated that the Company has achieved the results of strengthening the efficiency of the Board of Directors.</p> <p>When electing or nominating members of the Board of Directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.</p> <p>(IV) The Audit Committee regularly evaluates the independence of CPAs every year, and then submits the evaluation results to the Board of Directors. After the latest evaluation was passed by the Audit Committee on Mar. 14, 2025, it was reported to the Board of Directors on Mar. 14, 2025 for approval.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> 1. Confirm that the Company's CPAs are not related parties of either the Company or the Directors. 2. Change the CPAs regularly according to the Corporate 	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			<p>Governance Best-Practice Principles. The CPAs report to the Audit Committee annually on the contents of the reviews/audits and the independence compliance.</p> <p>3. Regularly obtain the statement of independence issued by the accountants.</p> <p>Assessment Result is as follows:</p> <p>1. The independence between the certified accountant and the Company complies with relevant regulations such as the Certified Public Accountant Act and the CPA code of professional ethics.</p> <p>2. The Company has not appointed the same CPA for five consecutive years.</p>	
IV. Does a public company equip an appropriate number of eligible governance personnel and assign the governance officer to take charge of company's governance affairs (including, without limitation, providing directors and supervisors with the data required for business operations, assistance for the legal compliance of directors and supervisors, handling affairs related to holding a board meeting or a general meeting of shareholders and producing minutes for board meetings and general meetings of shareholders)?	V		<p>1. The Company's corporate governance officer is a full-time position.</p> <p>2. Scope of responsibilities: The Company established a dedicated corporate governance unit on Mar. 27, 2023, whose responsibilities include handling matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law, preparing minutes of the meetings of the Board of Directors and the Shareholders' Meeting, assisting the directors in assuming their positions and continuing their education, providing the directors with information necessary for the execution of their business, and assisting the directors in</p>	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			3. complying with the law. Status of continuing education: The required number of hours of continuing education was completed in 2024.	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	V		The Company has a spokesperson and a deputy spokesperson to handle related matters, and has set up a Chinese corporate website to disclose the Company's finance and business information in detail, as well as an investor page to disclose related information and appropriately respond to the issues of concern to stakeholders. (http://www.morn-sun.com.tw)	No major discrepancy.
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	V		The Company has appointed the Registrar & Transfer Agency Department of Yuanta Securities Co., Ltd. to handle its shareholders affairs.	No major discrepancy.
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(I) The Company's stock code is 1240, and the investing public can inquire the Company's finance, business and corporate governance information through the MOPS. The Company also sets up our own website (http://www.morn-sun.com.tw) to disclose the relevant information successively.	No major discrepancy.
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system,	V		(II) The Company has designated a person to be responsible for the collection and disclosure of corporate information and has implemented a spokesperson system in accordance with the regulations.	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>placing the juristic person seminar program on the Company's website, etc.)?</p> <p>(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?</p>		V	(III) The Company completed announcements and reports within the prescribed period.	No major discrepancy.
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	V		<p>(I) In addition to providing various insurances for employees, implementing a pension system, and establishing an Employee Welfare Committee in accordance with the law, the Company also actively establishes labor-management communication channels. In addition, the Company has established work rules to regulate the rights and obligations of employees.</p> <p>(II) The directors of the Company possess relevant professional knowledge and have taken courses on securities regulations in accordance with relevant laws and regulations, and have met the requirements for the number of training hours.</p> <p>(III) With respect to risk management, the management regularly discloses and reports related information in accordance with relevant laws and regulations, and the internal auditors will conduct regular and irregular audits of the Company's</p>	No major discrepancy.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>internal controls and submit reports.</p> <p>(IV) The Company maintains unblocked communication channels with suppliers or customers, and the implementation status is good.</p> <p>(V) The Company has purchased liability insurance for its directors to strengthen the protection of shareholders' interests.</p>	
<p>IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in latest year, and propose the matters with priority for improvement and the respective measures and Corporate: (No need to fill in for companies not included in the evaluation)</p> <p>1. The Company has disclosed the separate communications between independent directors and internal audit supervisor and CPAs in the annual report and on the Company's website.</p> <p>2. Matters with priority for improvement and measures: None; the Company is continuously improving the evaluation matters.</p>				

Attached table A:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Evaluation performed once a year	From Jan. 1, 2024 to Dec. 31, 2024	The Board of Directors, Individual Board member	Internal self-evaluation by the Board of Directors, self-assessment of the Board member	<p>The Board of Directors is evaluated from the following five dimensions:</p> <p>I. Level of participation in the Company's operations.</p> <p>II. Decision quality of the Board of Directors.</p> <p>III. Composition and structure of the Board of Directors.</p> <p>IV. Election and ongoing education of directors.</p> <p>V. Internal Control</p> <p>The Board members are evaluated from the following six dimensions:</p> <p>I. Director's awareness toward the Company's goals and missions.</p> <p>II. Director's awareness to duties.</p> <p>III. Level of participation in the Company's operations.</p> <p>IV. Management and communication of internal relations.</p> <p>V. Professionalism and ongoing education</p>

				of directors. VI. Internal Control
--	--	--	--	---------------------------------------

Note 1: Fill in the execution cycle of the board evaluation, e.g., once a year.

Note 2: Fill in the period covered by the board evaluation, e.g., evaluating the performance of the Board of Directors from Jan. 1, 2019 to Dec. 31, 2019.

Note 3: The scope of evaluation includes the performance evaluation on the Board of Directors, individual board members, and functional committees.

Note 4: The method of evaluation includes internal self-evaluation by the Board of Directors, self-evaluation by Board members, peer evaluation, appointment of external professional agency and experts, or other appropriate methods for performance evaluation.

Note 5: The contents of the evaluation shall include at least the following items according to the scope of the evaluation:

- (1) Performance Evaluation of the Board of Directors: at least including the level of participation in the Company's operations, the decision quality of the Board of Directors, the composition and structure of the Board of Directors, the election and ongoing education of directors, and the internal control.
- (2) Performance evaluation of individual board members: at least including the director's awareness toward the Company's goals and missions, the director's awareness to duties, the level of participation in the Company's operations, the management and communication of internal relations, the professionalism and ongoing education of directors, and the internal control.

Attached table B: Evaluation standards for independence of CPAs:

Assessment items	Assessment result	Qualify for independence
1. Whether the CPA has direct or indirect substantial financial interest with the Company.	No	Yes
2. Whether the CPA has financing or guarantee relationship with the Company.	No	Yes
3. Whether the CPA has significant close business relationships or potential employment relationships with the Company.	No	Yes
4. Whether the CPA or any member of the audit team are currently serving or have served in the last two years as a director, manager, or in a position of significant impact on the audit of the Company.	No	Yes
5. Whether the CPA provides any non-audit services to the Company that will directly affect the audit case.	No	Yes
6. Whether the CPA brokers stocks or other securities issued by the Company.	No	Yes
7. Whether the CPA acts as the Company's advocate or mediates the conflicts with third parties on behalf of the Company.	No	Yes
8. Whether the CPA has a close or immediate family member who is a director, manager, or an employee who is in a position to exert significant influence over the audit case.	No	Yes

(IV) If the Company has established a Remuneration Committee, the composition, duties, and operation of that committee shall be disclosed:

1. Information on the members of the Remuneration Committee

Apr. 30, 2025

Identity (Note 1)	Qualification	Professional qualification and experience (Note 2)	Compliance of independence (Note 3)	Number of other public companies where the members are also the members of the remuneration committee of these companies.
	Name			
Independent Director (Convener)	Qian-Shan, Han	Current positions: the Director of the Faculty Development & Instructional Resources Center, Fu Jen Catholic University, and the Associate Professor of the Department of Finance and International Business, Fu Jen Catholic University.	(A)~(D): None.	0
Independent Director	Heng-Wei, Wei	Current positions: the Associate Professor of the Department of Animal Science and Technology, College of Bioresources and Agriculture, National Taiwan University.	(A)~(D): None.	0
Independent Director	Jian-Yu, Li	Current positions: the Professor of the Department of Finance and International Business, Fu Jen Catholic University.	(A)~(D): None.	0

Note 1: Please specify the years of service, professional qualifications and experience, and independence of each member of the Remuneration Committee. If the member is an independent director, please specify in the note (refer to the relevant contents in attached table 1. Profile of directors and supervisors (1) on page). Please fill in independent director or other in the Identity column (please add a note for convener).

Note 2: Professional qualifications and experience: Please specify the professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Independence: Please specify the independence of the members of the Remuneration Committee.

- (A) including but not limited to whether the person, spouse, and lineal relatives within the 2nd degree of kinship are the directors, supervisors or employees of the Company or its affiliated companies.
- (B) The number and percentage of shares held by them, their spouses, their relatives within 2nd degree of kinship (or by using the names of others).
- (C) Whether the person is a director, supervisor, or employee of a company with which the Company has a specific relationship (refer to Subparagraph 5-8, Paragraph 1, Article 6 of the Regulations Governing the Establishment and Exercise of the Remuneration Committee of a Company That Lists Its Shares or Trades on the Stock Market or on a Securities Brokerage Office).
- (D) The amount of remuneration obtained for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the last two years.

2. Information on the scope of responsibilities and operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three Committee members in total.

The scope of responsibilities of the Remuneration Committee is: conduct evaluation, in a professional and objective manner in accordance with the Company's "Policies of Performance Evaluation and Remuneration of Directors and Managers" and relevant systems, and make recommendations to the Board of Directors for reference of decision-making.

Regularly review the Remuneration Committee Charter and propose amendments thereto, and regularly review the “Policies of Performance Evaluation and Remuneration of Directors and Managers” and the relevant systems, standards and structures.

Regularly evaluate the achievement of the performance goals of the Company’s directors and managers, and determine the content and amount of individual remuneration based on the evaluation obtained from the performance evaluation standards. The annual report shall disclose the results of the performance evaluation of individual directors and managers, and the relationship and reasonableness of the content and amount of individual remuneration to the performance evaluation results, which shall be reported at the shareholders' meeting.

- (2) The term of office of the current committee members: from Jul. 4, 2022 to Jun. 26, 2025. The Remuneration Committee conducted 2 meetings (A) in the latest year (2024) and the qualifications and attendance (operations) are as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Convener	Qian-Shan, Han	2	0	100	
Committee	Heng-Wei, Wei	2	0	100	
Committee	Jian-Yu, Li	2	0	100	

Other remarks:

- I. Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, term while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company’s response to the opinions posed by the Remuneration Committee(For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.
- II. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

- (3) Disclose the reasons for discussion and resolution results of the Remuneration Committee (as follows): the Remuneration Committee members approved all motions without objections and submitted to the Board of Directors. There were no opinions from the members that should be handled by the Company. The Company's Remuneration Committee attended the meeting at least twice a year:

Remuneration Committee Meetings of Morn Sun Feed Mill Corp. in 2024				Attendance		
Meeting time	Term & Session	Main case	Jian-Yu, Li	Qian-Shan, Han	Heng-Wei, Wei	
Mar. 11, 2024	4th meeting of the 3rd Remuneration Committee	1. Reported the minutes of the last Remuneration Committee meeting (hereinafter referred to as RC meeting) and the status of implementation. 2. Reported the performance evaluation results and remuneration of the Company's directors and managers. 3. Reported the performance evaluation results of the Company's Remuneration Committee. 4. Discussed the proposal for the Company's 2023 employee remuneration and director remuneration.	Attended in person	Attended in person	Attended in person	
		All of the above cases were resolved by the Remuneration Committee. Results: All members of the Remuneration Committee approved without objection. The Company's handling of the opinions of the Remuneration Committee: None, and approved by all directors present.	-			
Nov. 11, 2024	5th meeting of the 3rd Remuneration Committee	1. Reported the minutes of the last Remuneration Committee meeting and the status of implementation. 2. Reported the distribution of managers' year-end bonuses, performance bonuses, and employees' remuneration in accordance with the Company's "Policies of Performance Evaluation and Remuneration of Directors and Managers".	Attended in person	Attended in person	Attended in person	
		All of the above cases were resolved by the Remuneration Committee. Results: All members of the Remuneration Committee approved without objection. The Company's handling of the opinions of the Remuneration Committee: None, and approved by all directors present.	-			

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promotion items	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors? (TWSE/TPEX listed companies are required to report the status of implementation, which is not compliance or explanation.)	V		<ol style="list-style-type: none"> 1. On Mar. 18, 2022, the Board of Directors of the Company established the “Sustainable Development Best Practice Principles” and authorized the Management Department as the unit for promoting sustainable development. 2. The materiality principles listed include environmental sustainability, employee care, social welfare, corporate governance, customer care, and partnership. The Corporate Governance Officer proposed to conduct a Greenhouse Gas Inventory (Carbon Inventory GHG) and compile a Sustainability Report (ESG) in 2024 according to different materiality principles. It is expected that the Greenhouse Gas Inventory (Carbon Inventory) will be completed in 2024 and the Sustainability Report be completed in 2025. 3. The Company has formulated the “Code of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct” as the regulations for all units to follow in terms of corporate governance, customer care and partnership, so as to reduce the occurrence of risks in the Company's operations related to environmental and social issues and corporate governance. 4. The Company reports to the Board of Directors at least once a year on sustainable development, including the promotion of issues related to food 	No major discrepancy.

			<p>safety and work safety, with the most recent report dated Mar. 14, 2025.</p> <p>5. The Board of Directors proposed the issue of periodic sampling and testing of raw materials purchased for the Company's sustainable development, and reported food safety and work safety issues at the Board of Directors.</p>	
II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management? (TWSE/TPEX listed companies are required to report the status of implementation, which is not compliance or explanation.)	V		<p>The Company has established the “Code of Ethical Conduct”, the “Procedures for Ethical Management and Guidelines for Conduct”, and the “Sustainable Development Best Practice Principles”, which emphasize risk assessment and the handling of material issues: (no significant impact on the Company's investors and other interested parties):</p> <ol style="list-style-type: none"> 1. Environment - The Company has a stationary pollution source operation permit and a wastewater connection permit for regular reports. During the epidemic, we adopted telephone visits instead of in-person visits to reduce the frequency of vehicle use and reduce environmental pollution and fuel consumption. We frequently utilize video communication to interact with our customers and suppliers, and we improve the packaging method of the package materials and share the package materials in the factory to reduce the package materials consumption. 2. Social - The Company regularly inspects and repairs fire fighting facilities, provides a safe work environment for employees, and regularly arranges health checkups for employees; there have been no occupational accidents in recent years. We also provide learning opportunities to cultivate talents through industry-school cooperation in various aspects. 3. Corporate Governance - Each year, the CPA firm gives classes on corporate governance issues for the Company's operating units. The Company also sets up an internal audit unit to implement the internal control system, strengthen 	No major discrepancy.

			<p>the functions of the Board of Directors and purchases liability insurance for directors, and deals with external stakeholders (including governmental agencies, customers, suppliers, investors and employees) through the spokesperson first.</p> <p>Meanwhile, the Company has established the “Code of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct” to stipulate the risk management policies, which are in accordance with the current laws and regulations</p>	
<p>III. Environmental issues</p> <p>(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?</p>	V		<p>(I)</p> <p>1. The Company's industry is characterized by feed manufacturing and sales, and we comply with various environmental protection and related regulations.</p> <p>We have obtained the HACCP ISO22000:2108 certification for animal formula feed.</p> <p>2. The Company proposed to conduct a Greenhouse Gas Inventory (Carbon Inventory GHG) and compile a Sustainability Report (ESG) in 2024 according to different materiality principles. It is expected that the Greenhouse Gas Inventory (Carbon Inventory) will be completed in 2024 and the Sustainability Report be completed in 2025.</p>	No major discrepancy.
<p>(II) Is the company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?</p>	V		<p>(II) The Company uses electronic files to reduce the use of paper and conducts classification of wastes in accordance with the regulations of community buildings to enhance the concept of environmental protection.</p> <p>The Company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, reduces energy consumptions of the Company and our products, and expands the use of renewable energy to optimize the efficiency of energy use. The annual target is to reduce</p>	No major discrepancy.

			electricity consumption per unit of product by 10% compared to the previous year. We will gradually achieve the planned targets, install renewable energy power generation equipment and purchase green power to enhance the use efficiency of renewable energy year by year.									
(III) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related? Note 1.	V		(III) The Company will continue to monitor climate change, and is committed to taking mitigation measures for timely response.	No major discrepancy.								
(IV) Did the Company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for GHG reduction, water conservation, and waste management? Note 2.	V		(IV) The Company promotes various energy-saving programs, such as turning off lights in the offices, closing water tap in the washrooms, taking the stairs instead of the elevator when commuting to and from work, and setting the air conditioner at the appropriate temperature. We have obtained the wastewater treatment plant permit for Kaohsiung Factory. Legal vendors are entrusted for the removal of wastes.	No major discrepancy.								
IV. Social issues												
(I) Does the Company have the relevant management policies and the stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		<div> (I) The Company complies with relevant labor laws and regulations and has established personnel-related rules and regulations to protect the legitimate rights and interests of employees, and has established an Employee Welfare Committee to promote employee welfare. </div> <table> <tr> <th>Related matters</th> <th>Specific plan</th> </tr> <tr> <td>Employee attendance</td> <td>Comply with the Labor Standards Act and encourage employees to pay attention to quality of life.</td> </tr> <tr> <td>Employee appointment</td> <td>Comply with the Gender Equality Act.</td> </tr> <tr> <td>Work Environment</td> <td>The Company has established sexual harassment prevention measures and</td> </tr> </table>	Related matters	Specific plan	Employee attendance	Comply with the Labor Standards Act and encourage employees to pay attention to quality of life.	Employee appointment	Comply with the Gender Equality Act.	Work Environment	The Company has established sexual harassment prevention measures and	No major discrepancy.
Related matters	Specific plan											
Employee attendance	Comply with the Labor Standards Act and encourage employees to pay attention to quality of life.											
Employee appointment	Comply with the Gender Equality Act.											
Work Environment	The Company has established sexual harassment prevention measures and											

				disciplinary measures to prevent sexual harassment in the workplace and to protect the personal dignity.	
(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	V		(II) 1. In accordance with the Articles of Incorporation, if the Company makes profits in the year, it should allocate at least 1.5% as employee remuneration, which shall be distributed in the form of stock or cash as resolved by the Board of Directors. The recipients of the payment include the employees of subsidiaries meeting specific requirements. 2. When the work performance of the employees reaches the Company's standard, bonuses will be given to them at the end of each quarter and year, and appropriate bonuses will be given to them at the end of the year depending on the performance of the whole year. 3. In addition to complying with the Labor Standards Act, the Company also regularly convenes welfare committee meetings to discuss employee benefits and labor-management meetings to appropriately evaluate the operating performance of employees and appropriately reflect this in employee remuneration. 4. Diversity in the workplace: Men and women get equal pay for equal work; increase the proportion of female supervisors; employ physically challenged employees. 5. For details, please refer to Chapter IV. Operating Performance V. Labor-Management Relations in this annual report.	No major discrepancy. For details, please refer to Chapter IV. Operating Performance V. Labor-Management Relations in this annual report.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		(III) 1. The Company follows the Occupational Safety and Health Act to establish a safe work environment. The boiler is inspected every day and the inspection report is checked once a year.	No major discrepancy.	

			<p>The Company inspects and repairs the fire fighting facilities once a year. Provide employees with a safe work environment and arrange health checkups once every three years. Report occupational accidents monthly; there have been no occupational accidents in recent years.</p> <p>2. The Company has set up a work safety team, which meets once a month. The conditions of factory machinery and equipment will be recorded monthly, the machinery and equipment maintenance table will be registered monthly, and the appearance of machinery and equipment will be recorded and inspected daily, and the machinery and equipment are labeled with operation cautions.</p> <p>2-1 Job contents of special air pollution staff</p> <p>a. Report online in Jan., Apr., Jul., and Oct. every year</p> <p>b. Report</p> <p>(1) Record the consumption of raw materials daily</p> <p>(2) Record the product and fuel consumptions daily</p> <p>(3) Record the operation of pollution sources daily</p> <p>(4) Record the operation of dust collection equipment daily</p> <p>3. Pre-employment health education training is required for all new employees, which was provided to 15 persons (times) in 2024.</p> <p>4. In 2022 and 2023, in accordance with the COVID-19 prevention policy of the Ministry of Health and Welfare's policy, the Company immediately set up an epidemic prevention task force, adopted office work by shifts, on-site work area separation and visitor management, held meetings and job interviews by video, strengthened the disinfection of all areas, and posted promotional materials.</p>	
--	--	--	---	--

			5. The Company has recorded no fire incidents in 2024.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		(IV) The Company provides internal and external education and training for employees.	No major discrepancy.
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and the for grievances?	V		(V) 1. For product sales and labeling, the Company complies with relevant laws and regulations and purchases liability insurance to further protect customers' rights and interests. 2. The Company has established the "Company Information Security Policy" and the "Regulations Governing the Personal Information Protection" to protect the interests of customers, and handle customer complaints by special personnel.	No major discrepancy.
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	V		(VI) The Company has established the "Supplier Quality Management Procedures" for the management of suppliers, and conducts supplier evaluation before dealing with suppliers to assess whether the counterparty has any adverse records such as affecting environmental protection, occupational safety and health, or labor and human rights. Suppliers are required to provide bulk materials and various raw materials in compliance with the relevant regulations. Quality assurance personnel also conduct strict inspections to ensure that the Company's products comply with safety standards and promote the concept of sustainable corporate management in the whole industry. If a supplier is found to have a significant impact on the environment and society, the Company may choose to terminate the contract as appropriate.	No major discrepancy.
V. Did the Company, following internationally recognized guidelines, prepare and publish		V	V. The Company expects to complete the preparation of its sustainability report in 2025.	In the future, the Company will handle the

reports such as its sustainable environment report to disclose non-financial information of the Company? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?				relevant matters as needed or in accordance with the law.
VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: Not applicable.				
VII. Other important information for the implementation of sustainable development:				
(I) The Company conducts classification of wastes in accordance with the regulations, enhances the concept of environmental protection among employees, and continues to educate them on the goal of promoting sustainable development.				
(II) The Company discloses all information on the MOPS in accordance with regulations, upholds the principles of professionalism and integrity in its operations, and attaches importance to corporate image and risk control.				
(III) The Company has established sexual harassment prevention measures and disciplinary measures to prevent sexual harassment in the workplace, protect the work equality between men and women and the personal dignity.				

Note 1: Climate-related information of TWSE/TPEX listed companies: Implementation of climate-related information

Item	Implementation
1. Describe the board of directors and management supervision and governance of climate-related risks and opportunities.	The Company's Board of Directors has approved the establishment of the “Sustainable Development Committee”, whose members are the President, Plant Manager of the Production Division, and Independent Director. It is expected to complete the Greenhouse Gas Inventory (Carbon Inventory) in 2024 and the preparation of the Sustainability Report in 2025. At least once a year, the Sustainable Development Committee meets and proposes a report to the Board of Directors, and the Board of Directors makes appropriate comments and supervisory recommendations, and provide them to the Company's supervisors who will be responsible for integrating the resources of each department to identify climate risks, setting work policies to implement carbon reduction targets, and adopting measures such as electricity saving and carbon reduction to proactively promote the countermeasures related to climate change.
2. Describe how the identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, medium-term, and long-term).	The Company is a manufacturer and distributor of feed for poultry and livestock, and the climate risks and opportunities we face are a key challenge to our operations, particularly in the purchasing of bulk raw materials (soybeans, wheat and corn) from abroad. While keeping an eye on the climate impacts on global production sites, it is necessary to develop trading strategies to minimize the

	impacts of climate change on the purchase of bulk raw materials and financial position. In terms of financial investment, we can seek for green technology and agricultural technology innovation to enhance the ability to combat climate change and invest in green bonds.
3. Describe the financial impact of extreme weather events and transformative actions. Implementation status	For extreme weather events and transformative actions, we can consider sourcing from all over the world, adopting carbon-reducing production equipment, and investing in green bonds.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Board of Directors of the Company has approved the establishment of the “Sustainable Development Committee”, which will provide information on the risks faced by corporate operations in sustainable development issues, including carbon reduction in production and the physical and transformation risks that may be brought about by climate change, and will put forward opinions and suggestions for various departments to assist in the planning of strategies, integration and management. The Sustainable Development Committee will meet at least once a year, and submit a report to the Board of Directors after the meeting. Propose reports on management implementation and risk control to strengthen the corporate structure.
5. If scenario analysis is used to evaluate the resilience to climate change risk, the scenarios, parameters, assumptions, analysis factors used, and major financial impacts shall be described.	The Company is still evaluating.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company is still evaluating.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company is still evaluating.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company is still evaluating.
9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	Not applicable.

Note 2: Statistics on greenhouse gas emissions, total weight of wastes, and water consumption for the past two years

Year/Greenhouse gas emissions of parent company (tons of CO ₂ e)	Scope No. I	Scope No. II	Unit Product	Scope No. III
2023	1,216.30	1,837.19	0.230	No data
2024	293.37	1,816.51	0.230	No data

Year/Total weight of wastes of parent company (tons)	Non-hazardous wastes	Hazardous wastes	Unit Product
2023	22.61	0	0.0002
2024	18.39	0	0.0002

Year/Water consumption of parent company (tons)	(tons)	Unit Product
2023	7,895	0.08
2024	8,390	0.09

(VI) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment items	Actual governance (Note)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans (I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	V		(I) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and the “Code of Ethical Conduct”, and the relevant matters have been delegated to senior management. Currently, the Chairman of the Board of Directors serves as the highest promoter, and the Auditing Department is responsible for the promotion of the ethical corporate management and its implementation. All units of the Company are guided to act in accordance with ethical standards	No major discrepancy.

<p>(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?</p>	<p>V</p>	<p>to prevent dishonest behavior, and a report shall be submitted to the Board of Directors at least once a year.</p>	<p>No major discrepancy.</p>
<p>(III) Has the Company established in the preventive programs the operating the for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?</p>	<p>V</p>	<p>(II) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and the “Ethical Corporate Management Best Practice Principles”, which cover the preventive measures for the behaviors described in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”; the Company strictly requires that all the decisions and behaviors should be compliant with laws and regulations (basic principles), and strengthens the concept of ethical corporate management through education and publicity. The above regulations provide for the prevention of dishonest behaviors, and the internal control mechanism and internal audit process have covered the preventive measures of dishonest behaviors to ensure the effective prevention and detection of corruption.</p> <p>(III) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and the “Code of Ethical Conduct” to prevent dishonest behavior, regulate the integrity of all personnel at all levels in engaging in various business activities, and prohibit the Company, its directors, and managers from offering or accepting improper benefits. The Company's disciplinary and complaint systems for non-compliance with the regulations</p>	<p>No major discrepancy.</p>

			are all in accordance with the Company's working rules, and the above-mentioned programs are reviewed and amended on a regular basis.	
II. Proper enforcement of business integrity				
(I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	V		(I) The Company conducts credit checks on counterpart companies and enters into contracts to specify the rights and obligations of both parties.	No major discrepancy.
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	V		(II) The Company has established the "Ethical Corporate Management Best Practice Principles", and has designated the Auditing Department as the responsible unit to formulate and supervise the implementation of policies and preventive programs under the Ethical Corporate Management Best Practice Principles and to report the implementation status to the Board of Directors on a regular basis.	No major discrepancy.
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		(III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" to prevent conflicts of interest.	No major discrepancy.
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical	V		(IV) The Company has established an internal control system, and the audit unit conducts internal audits on a regular basis to supervise the implementation of the system. The Company has also established an effective accounting system and a dedicated accounting unit, and our financial reports are audited (reviewed) by CPAs to ensure the fairness of our financial statements. Each transaction must be reported and approved	No major discrepancy.

<p>behavior or hire a CPA to perform the audit?</p> <p>(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?</p>	V		<p>by an authorized officer in compliance with relevant laws and regulations as well as our internal operating procedures.</p> <p>(V) The Company promotes the responsibility of ethical corporate management at various meetings, and promotes various regulations through employee education and training, internal mails, and internal meetings. In 2024, the management and personnel department promoted various integrity issues; for 15 new employees and external parties, the Company provided an ethical corporate management course; at the Board of Directors meeting, external lecturers were invited to train the directors, managers, and internal personnel, with 13 participants in 2024.</p>	No major discrepancy.
<p>III. The operations of the Company's Report System</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p> <p>(II) Has the Company established standard operating the for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?</p>	V	V	<p>(I) Depending on the seriousness of the reported incident, the Company will provide rewards in accordance with the relevant working rules. Employees can use multiple channels to handle related matters with the responsible unit or report to management and personnel department.</p> <p>(II) The Company provides a channel for complaints by email, and senior management assigns a person to be responsible for handling complaints and investigations and maintaining confidentiality. If the Company finds or receives a report of dishonest behavior by the Company's employee, and if it is proven that such violation indeed occurs, the Company will immediately request the perpetrator to stop the relevant</p>	<p>No major discrepancy.</p> <p>No major discrepancy.</p>

(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	V		behavior, take appropriate action, and if necessary, seek damages through legal proceedings in order to protect the Company's reputation and rights and interests. (III) The Company's personnel responsible for handling the complaints will make a written statement that the identity of the whistleblower and the content of the report will be kept confidential, and commit to protect the whistleblower from victimisation due to his/her reporting.	No major discrepancy.
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	V		The Company has disclosed the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" approved by the Board of Directors on its website and on the MOPS. In the future, the Company will disclose corporate information on the MOPS and the Company's website in a timely, open and transparent manner.	No major discrepancy.
V. Where a Company has established the Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please specify the difference between its operations and the Principles: The Company has established the "Procedures for Ethical Management and Guidelines for Conduct", and there are no significant differences between its operations and the relevant regulations.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity): (I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Contribution Act, Corruption Punishment Act, Government Procurement Act, Conflict of Interest Avoidance Act for Public Officials, the relevant regulations for TWSE/TPEX listed companies, or other laws and regulations related to business practices, which is the basic premise for implementing ethical corporate management. (II) The Company has long maintained good relationships with suppliers, conducts all business transactions in a fair and transparent manner, and gives each customer or supplier a fair and reasonable benefit, thus creating a win-win situation. (III) The Company treats its shareholders with care and loyalty, and discloses accurate information promptly and adequately, and create maximum value for all shareholders through sound management. (IV) The Company has established the "Regulations Governing the Handling of Material Inside Information and Prevention of Insider Trading", "Rules of Procedure for Board of Directors Meetings", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and an internal control system, and conducts regular education and training programs and				

ethical practice assessment for its employees to ensure that directors, managers or employees faithfully perform their duties and refrain from offering, promising, requesting, or accepting any improper benefits of any kind, either directly or indirectly, including kickbacks, commissions, facilitation fees, or offering or accepting improper benefits to customers, agents, contractors, suppliers, public officials or other interested parties through other means.

The Company has established the Corporate Governance Best Practice Principles and related regulations, which are disclosed on the Company's website (<http://www.morn-sun.com.tw>) and on the MOPS.

(VII) Other significant information that is helpful to better the awareness of corporate governance performance should be disclosed together: None.

(VIII) Internal control system implementation below: Please refer to pages below

1. Declaration of Internal Control:

Morn Sun Feed Mill Corp.

Declaration of Internal Control Policies

Date: Mar. 14, 2025

The following declaration is based on the 2024 self-audit over the Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managerial officers. These policies were implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. Pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.
- IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.
- V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of Dec. 31, 2024 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.
- VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The present Declaration of Internal Control Policies was granted a pass in the board of directors meeting convened on Mar. 14, 2025. That board of directors meeting was attended by 7 directors (including by proxy) among whom 0 director objected. All present directors unanimously responded with consent to the contents of the Declaration. This is the another point duly clarified herewith.

Morn Sun Feed Mill Corp.

Chairman and President: Qing- De, Wu

2. Audit of the internal control system by CPA shall disclose the accountant's review report: Not applicable.

(IX) Major resolution of the board the shareholders' meeting in the latest year and up to the publication date of the annual report:

Date	Name	Significant decisions resolved
Mar. 11, 2024	1st meeting in 2024	<ol style="list-style-type: none"> 1. Reported the minutes of the last meeting and the status of implementation. 2. Reported material financial operations. 3. Reported the status of the Company's audits. 4. Reported that there were no new accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount in the Q4 of 2023. 5. Reported the follow-up results of the improvement plan for the financial statements preparation abilities of the Company. 6. Reported the implementation of the Company's food safety management. 7. Reported the implementation of the Company's factory safety management. 8. Reported the supervision and management of subsidiaries. 9. Reported the performance evaluation results and remuneration of the Company's directors and managers. 10. Reported the results of the performance evaluation of the Company's Board members and Board of Directors. 11. Approved the proposal for the Company's 2023 employee remuneration and director remuneration. 12. Approved the Company's 2023 annual business report and financial statements (including consolidated financial statements). 13. Approved the proposal for the Company's 2023 earnings distribution plan. 14. Approved the issuance of new shares by capitalization of retained earnings. 15. Approved the evaluation of the effectiveness of the Company's internal control system and the "Internal Control Statement" for 2023. 16. Approved the proposal to the Company's "Rules of Procedure for Board of Directors Meetings". 17. Approved the amendment to the Company's "Rules of Procedure for Audit Committee Meetings". 18. Approved the setting of the date and agenda for the 2024 Annual General Meeting of Shareholders and the time and place for accepting proposals from shareholders holding more than one percent of the Company's shares, as well as other related matters. 19. Approved the proposal to replace the CPAs for the Company to cooperate in the internal adjustments of Deloitte & Touche. 20. Approved the periodic evaluation of the independence and suitability of the Company's CPAs.
May 10, 2024	Board of Directors	<ol style="list-style-type: none"> 1. Reported the minutes of the last meeting and the status of implementation. 2. Reported material financial operations. 3. Reported the status of the Company's audits. 4. Reported the implementation of the Company's food safety management. 5. Reported the implementation of the Company's factory safety management. 6. Reported the supervision and management of subsidiaries. 7. Approved the proposal for the Consolidated Financial Statements for the Q1 of 2024. 8. Approved the formulation of the "Charter of the Sustainable Development Committee". 9. Approved the establishment of the Company's Sustainable Development Committee and the appointment of five members.

Date	Name	Significant decisions resolved
		10. Approved the changes in the Company's syndicated credit line and type. 11. Approved the accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds.
Jun. 24, 2024	Shareholders' Meetings	<p>Issues posed for acknowledgement</p> 1. Recognized the Company's 2023 annual business report and financial statements (including consolidated financial statements). Implementation status: The portions that have been announced. 2. Recognized the proposal for the Company's 2023 earnings distribution plan. Implementation: After the recognition by the shareholders' meeting, a meeting of the Board of Directors' was convened, which approved Sep. 3, 2024 as the ex-dividend and ex-rights base date, and cash dividends of NT\$2.2 per share were distributed on Sep. 20, 2024, and stock dividend of NT\$0.5 per share was distributed. Discussion: Approved the issuance of new shares by capitalization of retained earnings. Implementation: After the discussion by the shareholders' meeting, a meeting of the Board of Directors' was convened, which approved Sep. 3, 2024 as the ex-dividend and ex-rights base date, and the shares were listed on the Taipei Exchange on Oct. 7, 2024 (A stock dividend of NT\$0.5 per share was distributed)
Aug. 12, 2024	3rd meeting in 2024	1. Reported the minutes of the last meeting and the status of implementation. 2. Reported material financial operations. 3. Reported the status of the Company's audits. 4. Reported the implementation of the Company's food safety management. 5. Reported the implementation of the Company's factory safety management. 6. Reported the supervision and management of subsidiaries. 7. Approved the Consolidated Financial Statements for the Q2 of 2024. 8. Approved the setting of base date for cash dividend distribution and related matters of the Company. 9. Approved the setting of base date for stock dividend distribution and related matters of the Company. 10. Proposal for provision of endorsements/guarantees by the Company to subsidiary Morn Sun Food Corp. 11. Approved the addition of credit banks of the Company. 12. Approved the discussion that accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds.
Nov. 11, 2024	4th meeting in 2024	1. Reported the minutes of the last meeting and the status of implementation. 2. Reported material financial operations. 3. Reported the status of the Company's audits. 4. Reported the implementation of the Company's food safety management. 5. Reported the implementation of the Company's factory safety management. 6. Reported the supervision and management of subsidiaries. 7. Reported the separate communication between independent directors, internal audit supervisors, and CPAs. 8. Reported the convening of a meeting of the Sustainable Development Committee. 9. Reported the Company's disposal of securities. 10. Approved the retroactive recognition of the Company's derivatives. 11. Approved the proposal for the Consolidated Financial Statements for the

Date	Name	Significant decisions resolved
		<p>Q3 of 2024.</p> <p>12. Approved the proposal for formulation of “Operating Procedures for the Preparation and Assurance of Sustainability Report” of the Company.</p> <p>13. Approved the addition of the operating procedures for the management of sustainability information, and the audit items into the Company's internal control system and internal audit implementation rules.</p> <p>14. Approved the proposal on the 2025 annual audit plan.</p> <p>15. Approved the discussion that accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds.</p> <p>16. Approved the proposal to continue to purchase liability insurance for the directors and managers.</p> <p>17. Approved the renewal of the Company's syndicated credit line.</p> <p>18. Approved the proposal for provision of endorsements/guarantees by the Company to subsidiary Morn Sun Food Corp.</p> <p>19. Approved the proposal to reduce the actual amount of remuneration paid to directors of the Company in 2023 compared with the amount recognized.</p>
Dec. 20, 2024	5th meeting in 2024	<p>1. Approved the proposal for the Company's 2025 operation plan.</p> <p>2. Approved the donation of NT\$1 million and other supplies to the “Taiwan Xianglong Evergreen Lohas Promotion Association” by the Company to fulfill its corporate social responsibility.</p>
Mar. 14, 2025	1st meeting in 2025	<p>1. Reported the minutes of the last meeting and the status of implementation.</p> <p>2. Reported material financial operations.</p> <p>3. Reported the status of the Company's audits.</p> <p>4. Reported the implementation of the Company's food safety management.</p> <p>5. Reported the implementation of the Company's factory safety management.</p> <p>6. Reported the supervision and management of subsidiaries.</p> <p>7. Reported the performance evaluation results and remuneration of the Company's directors and managers.</p> <p>8. Reported the result report on the performance evaluation of the Company's Board members and Board of Directors.</p> <p>9. Approved the proposal for the Company's 2024 employee remuneration and director remuneration.</p> <p>10. Approved the Company's 2024 annual business report and financial statements (including consolidated financial statements).</p> <p>11. Approved the proposal for the Company's 2024 earnings distribution plan.</p> <p>12. Approved the issuance of new shares by capitalization of retained earnings.</p> <p>13. Approved the amendment of some articles of the Company's Articles of Incorporation.</p> <p>14. Approved the amendment of the “Procedures for Acquisition or Disposal of Assets” and the repeal of the “Procedures for Handling Derivative Transactions” of the Company.</p> <p>15. Approved the amendment of some articles of the Company's “Regulations Governing Endorsements and Guarantees”.</p> <p>16. Approved the proposal to the Company's "Rules of Procedure for Board of Directors Meetings".</p> <p>17. Approved the evaluation of the effectiveness of the Company's internal control system and the “Internal Control Statement” for 2024.</p> <p>18. Approved the discussion that accounts receivable that have not been collected within 3 months of the normal credit period and with a significant amount are not loaning of funds.</p> <p>19. Approved the periodic evaluation of the independence and suitability of the Company's CPAs.</p>

Date	Name	Significant decisions resolved
		20. Approved the proposal for the Company's overall re-election of directors. 21. Approved the setting of the date and agenda for the 2025 Annual General Meeting of Shareholders and the time and place for accepting proposals and director nomination from shareholders holding more than one percent of the Company's shares, as well as other related matters. 22. Approved the reduced provision of endorsements/guarantees by the Company to subsidiary Morn Sun Food Corp. (Morn Sun Food).
May 8, 2025	2nd meeting in 2025	1. Report the minutes of the last meeting and the implementation status. 2. Report important financial and business situations. 3. Report on the implementation of the company's audit work. 4. Report on the implementation of the company's food safety control operations. 5. Report on the implementation of safety control operations in the company's factories. 6. Report on the supervision and management of subsidiaries. 7. In the first quarter of 2015, there were no new accounts receivable with a significant amount exceeding the normal credit period of 3 months. 1. Approved the company's first quarter 2015 consolidated financial statements. 2. Approved the amendment of some provisions of the company's "Director Selection Procedure". 3. Approval of nomination and review of the list of candidates for directors (including independent directors). 4. Approved the proposal to lift the non-competition restrictions on the company's new directors and their representatives. 5. Approved the preparation of the company's "Sustainability Report". 6. Obtain pre-approval from our company for non-confirmed service appointment.

(X) In the latest year and up to the publication date of the annual report, where supervisor or the directors passed significant decisions with different opinions as backed with records or declarations, the major contents: None.

IV. Information in public fees of the Certified Public Accountant:

The amounts of audit fees and non-audit fees, and non-audit services provided by the CPAs, their firm, and affiliates:

Unit: NT\$ thousand

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remark
Deloitte & Touche	Chung-Cheng, Chen Hai-Yueh, Huang	Jan. 1, 2024 to Dec. 31, 2024	3,270	0	3,270	

When the firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.

When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V. Information on replacement of CPA (If the Company has replaced its CPA within the last 2 fiscal years or any subsequent interim period):

(I) Regarding the former CPA:

Replacement Date	Mar. 11, 2024		
Replacement reasons and explanations	In order to cooperate in the internal rotation of Deloitte & Touche, since the Q1 of 2024, the CPAs for the Company's financial statements have been changed from CPA Chao-Mei, Chen and CPA Cheng-Chuan, Yu to CPA, Chong-Cheng, Chen and CPA, Hai-Yue, Huang.		
Describe whether the Company terminated or the CPA did not accept the appointment	Participants	CPA	Consignor
	Status		
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
		-	
	None	V	
	Description		
Other disclosures (Those that shall be disclosed from Item 1-4 to Item 1-7, Paragraph 6, Article 10 of this Code)	None		

(II) Regarding the successor CPA:

CPA firm	Deloitte & Touche
Name of CPA	CPA, Chong-Cheng, Chen and CPA, Hai-Yue, Huang
Date of appointment	Mar. 11, 2024

Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Reply from the former CPA on matters Item 1 and 2-3, Paragraph 6, Article 10 of this Code: Not applicable.

VI. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held:
None.

VII. In the latest year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, supervisors and managerial officers and key shareholders holding over 10% in shareholding:

(I) The status of changes that directors, supervisors, managerial officers and major shareholders had transferred and pledged their shares:

Unit: shares

Title	Name	2024		From Jan. 1, 2025 to Apr. 30, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman and President	Qing-De, Wu	32,663	0	29,000	0
Director	Longde International Co., Ltd.	115,705	0	0	0
Director	Maoyuan International Inc.	37,957	0	0	0
Director	Wei-Hong, Xu	30,739	0	0	0
Independent Director	Qian-Shan, Han	0	0	0	0
Independent Director	Jian-Yu, Li	0	0	0	0
Independent Director	Heng-Wei, Wei	0	0	0	0
Vice President	Liang-Hong, Zhong	4,947	0	0	0
Vice President	Da-Zhong, Huang	26,103	0	46,000	0
Financial supervisor	Ming-Qiu, Ye	23,404	0	0	0
Accounting Manager	Shao-Qi, Qiu	0	0	0	0
Manager of the Management Department	Xin-Hong, Lin	2,775	0	0	0

Manager of Animal Products Department(PS.)	An-Zong, Li	1,364	0	0	0
--	-------------	-------	---	---	---

PS:2025.01.03

(II) Relationship information of the counterpart of the transfer of equity interest: None.

(III) Relationship information of the counterpart of the pledge of equity interest: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

Apr. 24, 2025; Unit: shares

Name	Shares held in own name (note)		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the civil code, and the name and affiliation, if applicable.		Remark
	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			
Pei-Ling, Huang	2,950,758	7.14%	0	0	0	0	Qi-Ye, Huang	Brother	None
Qi-Ye, Huang	2,756,833	6.67%	1,574,040	3.81%	0	0	1. Pei-Ling, Huang 2. Xue-Ling, Ye	1. Sister 2. Spouse	None
Daido Mobara Co., Ltd.	2,717,311	6.57%	0	0	0	0	None	None	None
Longde International Co., Ltd.	2,429,820	5.88%	0	0	0	0	None	None	None
FineTek Co., Ltd.	1,633,592	3.95%	0	0	0	0	None	None	None
Shang-Ying, Wu	1,614,796	3.91%	0	0	0	0	Guan-Xuan, Wu	Sister	None
Xue-Ling, Ye	1,574,040	3.81%	2,756,833	6.67%	0	0	Qi-Ye, Huang	SPOUSE	None
Feng-Jiao, Xu-Zhuo	1,485,680	3.59%	0	0	0	0	None	None	None
Da-You, Huang	1,426,473	3.45%	0	0	0	0	None	None	None
Guan-Xuan, Wu	1,154,640	2.79%	0	0	0	0	Shang-Ying, Wu	Brother	None

IX. Investments jointly held by the Company's directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties: Not applicable.

Chapter III. Funding Status

I. Share capital and shares

(I) Sources of share capital:

1. Sources of share capital:

Year / month	Price of issue (NT\$)	Authorized capital		Paid-up capital		Remark		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Sources of share capital	Paid in properties than cash	Others
Feb. 1967	10	500	5,000	500	5,000	The Company was founded with a capital of NT\$5,000 thousand	-	Note 1
Jul. 1972	10	1,100	11,000	1,100	11,000	Increase capital by NT\$6,000 thousand in cash	-	Note 2
Jan. 1977	10	5,500	55,000	5,500	55,000	Increased capital by NT\$44,000 thousand by cash	-	Note 3
Dec. 1980	10	8,000	80,000	8,000	80,000	Increased capital by NT\$25,000 thousand by cash	-	Note 4
Jun. 1983	10	14,000	140,000	14,000	140,000	Increased capital by NT\$20,000 thousand by cash Capitalization of retained earnings NT\$ 8,000 thousand and capitalization of capital reserve by NT\$32,000 thousand	-	Note 5
Mar. 1989	10	19,600	196,000	19,600	196,000	Increased capital by NT\$56,000 thousand by cash	-	Note 6
Dec. 1991	10	35,000	350,000	35,000	350,000	Increased capital by NT\$134,400 thousand by cash, NT\$10,000 thousand by capitalization of retained earnings, and NT\$9,600 thousand by capitalization of capital reserve	-	Note 7
Mar. 2005	10	35,000	350,000	7,000	70,000	Reduced capital by NT\$280,000 thousand	-	Note 8
Aug. 2005	10	35,000	350,000	30,000	300,000	Increased capital by NT\$35,074 thousand by cash	Paid capital of NT\$194,926 thousand by claims	Note 9
Jul. 2016	10	40,000	400,000	37,050	370,500	Increased capital by NT\$85,500 thousand by capitalization of retained earnings, and reduced capital by NT\$15,000 thousand by treasury stock	-	Note 10

Sep. 2016	10	40,000	400,000	21,119	211,185	Demerger by NT\$159,315 thousand	-	Note 11
Nov. 2016	10	40,000	400,000	25,319	253,185	Increased capital by NT\$42,000 thousand by cash	-	Note 12
Dec. 2016	10	40,000	400,000	30,058	300,580	Increased capital by NT\$40,815 thousand by capitalization of capital reserve, and issued NT\$6,580 thousand of common shares as a result of the exercise of employee stock options	-	Note 13
Sep. 2018	10	40,000	400,000	33,000	330,000	Increased capital by NT\$29,420 thousand by cash, public underwriting before listing on the Taipei Exchange	-	Note 14
Aug. 2019	10	40,000	400,000	33,990	339,900	Capitalization of retained earnings NT\$ 9,900 thousand	-	Note 15
Sep. 2020	10	50,000	500,000	35,010	350,097	Capitalization of retained earnings NT\$ 10,197 thousand	-	Note 16
Sep. 2021	10	50,000	500,000	36,760	367,602	Capitalization of retained earnings NT\$ 17,505 thousand	-	Note 17
Sep. 2022	10	50,000	500,000	38,598	385,982	Capitalization of retained earnings NT\$ 18,380 thousand	-	Note 18
Sep. 2023	10	50,000	500,000	39,370	393,702	Capitalization of retained earnings NT\$ 7,720 thousand	-	Note 19
Sep. 2024	10	50,000	500,000	41,339	413,387	Capitalization of retained earnings NT\$ 19,685 thousand	-	Note 20

Note 1: Jing-Tai-(1967)-Shang-Zi No. 03643 of the Ministry of Economic Affairs on Feb. 18, 1967
Note 2: Shang-Deng-Shou No. 20266 on Jul. 27, 1972
Note 3: Jing-Tai-(1977)-Shang-Zi No. 00613 of the Ministry of Economic Affairs on Jan. 6, 1977
Note 4: Jing-Tai-(1980)-Shang-Zi No. 44822 of the Ministry of Economic Affairs on Dec. 27, 1980
Note 5: Jing-Tai-(1983)-Shang-Zi No. 24101 of the Ministry of Economic Affairs on Jun. 21, 1983
Note 6: Jing-Tai-(1989)-Shang-Zi No. 120181 of the Ministry of Economic Affairs on Mar. 3, 1989
Note 7: Jing-Tai-(1991)-Shang-Zi No. 128096 of the Ministry of Economic Affairs on Dec. 31, 1991
Note 8: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 09401947110
Note 9: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 09416779100
Note 10: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10589450100
Note 11: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10592566610
Note 12: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10594838600
Note 13: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10650090300
Note 14: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10752340420
Note 15: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10853081810
Note 16: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10954212710
Note 17: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 11053568200
Note 18: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 11152918310
Note 19: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 11253127010

Note 20: Taipei City Government Fu-Chan-Ye-Shang-Zi No. 11353171700

2. Share category:

Apr. 30, 2024; Unit: shares

Share category	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Ordinary shares	41,338,666	8,661,334	50,000,000	OTC-listed shares

- (II) List of major shareholders: Names of shareholders with an equity ratio of 5% or more or the top ten major shareholders in terms of equity ratio, amount and percentage of shareholding:

Apr. 24, 2025; Unit: shares

Shareholding Name of major shareholders	Quantity of shareholding	Ratio of shareholding %
Pei-Ling, Huang	2,950,758	7.14%
Qi-Ye, Huang	2,756,833	6.67%
Daido Mobara Co., Ltd.	2,717,311	6.57%
Longde International Co., Ltd.	2,429,820	5.88%
FineTek Co., Ltd.	1,633,592	3.95%
Shang-Ying, Wu	1,614,796	3.91%
Xue-Ling, Ye	1,574,040	3.81%
Feng-Jiao, Xu-Zhuo	1,485,680	3.59%
Da-You, Huang	1,426,473	3.45%
Guan-Xuan, Wu	1,154,640	2.79%

Note: Including the trust shares that reserves the right to use.

- (III) The Company's dividend policy and fact of implementation thereof:

1. The dividend policy stipulated in the Company's Articles of Incorporation:

If the Company has a surplus in its annual accounts, 10% shall be set aside as legal reserve after paying tax and making up for the accumulated deficit according to law. However, if the legal reserve has reached the Company's paid-in capital, it may not be further set aside; then, a special reserve shall be appropriated or reversed in accordance with laws and regulations or the requirements of the competent authorities; for the remaining balance, together with the accumulated undistributed earnings, the Board of Directors shall prepare an earnings distribution proposal and submit to the shareholders' meeting for a resolution on distribution of dividends and bonuses to shareholders. If the shareholders' meeting resolves to distribute dividends to shareholders, the dividends may be distributed in the form of cash or stock.

The Company's dividend policy is based on the objectives of sustainable corporate management, stable growth, protection of shareholders' rights and interests, and sound financial structure, and the Board of Directors shall prepare an earnings distribution proposal based on the Company's fund demand. If the Company's shareholders' meeting resolves to distribute dividends to shareholders, no less than 10% of the accumulated available-for-distribution earnings shall be set aside each year for dividend distribution to shareholders. However, if the accumulated available-for-distribution earnings are less than 1% of the Company's paid-in capital, the Company may withhold the distribution of such earnings, and the cash dividends shall not be less than 10% of the total amount of the dividends.

2. Dividend distribution proposed (resolved) for the current year: up to the publication date, the proposal for the 2024 earnings distribution was approved by the Board of Directors, and has not yet been resolved by the 2025 Annual General Meeting of Shareholders.

(IV) The impact of issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earning per share:

Item		Year	2025 (estimate)
Opening paid-in capital			NT\$ 413,387 thousand
Stock and dividend distribution for the year (Note 1)	Cash dividends per share		NT\$ 2.7
	Shares issued from capitalization of retained earnings (per share)		0.07 shares
	Shares issued from capitalization of capital reserve (per share)		0 shares
Changes in business performance	Net operating income		Not applicable (Note 2)
	Increase (decrease) ratio of operating income over the same period last year		
	Net profit after tax		
	Increase (decrease) ratio of net profit after tax over the same period last year		
	Earnings per share		
	Increase (decrease) ratio of earnings per share over the same period last year		
	Annual mean return on investment (inverse of annual mean cost/benefit ratio)		
Estimated earnings per share and cost/benefit ratio	If all retained earnings for capitalization are changed to cash dividends	Estimated earnings per share	
		Estimated annual mean return on investment	
	If capitalization of capital reserve is not done	Estimated earnings per share	
		Estimated annual mean return on investment	
	If capitalization of capital	Estimated earnings per share	

	reserve is not done and the retained earnings for capitalization are changed to cash dividends	Estimated annual mean return on investment	
--	--	--	--

Note 1: The estimated dividend distribution for 2025 was based on the resolution of the Board of Directors, and will be implemented in accordance with the relevant regulations after being approved at the General Meeting of Shareholders of this year.

Note 2: In accordance with the "Regulations Governing the Disclosure of Financial Forecast Information by Public Companies," the financial forecast information for 2025 is not required to be disclosed.

(V) Remuneration to the employees, directors and supervisors:

1. The percentage or range of employee dividends, directors' and supervisors' remunerations as stated in the Articles of Incorporation

If the Company makes profits in the year, it should allocate at least 1.5% as employee remuneration, which shall be distributed in the form of stock or cash as resolved by the Board of Directors. The recipients of the payment include the employees of subsidiaries of the Company meeting specific requirements. The Company can allocate no more than 5% of the above profit amount as director remuneration by the Board of Directors according to the director's participation in the operations of the Company and the contribution value.

The proposal for remuneration distribution to the employees and the Directors shall be resolved by the Board of Directors and reported to the General Meeting of Shareholders. However, when the Company still has accumulated losses, it should reserve the profit to make up for the loss before allocate employee remuneration and director remuneration in proportion to the preceding paragraph.

2. The basis for estimating the amount of employee, directors, and supervisor compensation, for calculating the number of shares to be distributed as stock dividend, and the accounting treatment of the discrepancy, if any, between the actual dividend amount and the estimated figure, for the current period:

If the amount changes after the publication date of the annual financial reports, the difference is accounted for as a change in accounting estimate and adjusted in the following year.

3. Remuneration to be distributed as resolved in the board of directors:

- (1) Employees and directors, supervisors remuneration distribution in stock or cash. If there is a difference from the estimated amount recognized for the year, please disclose the difference amount, the reason for the difference, and the treatment:

The Board of Directors held on Mar. 14, 2025 approved the distribution of remunerations to employees and directors for 2024 in cash, with an amount of NT\$7,500 thousand, which was the same as the estimated amount for 2024.

- (2) The percentage of amount of remuneration to employees to be distributed in shares to the aggregate total of the net profit after tax and the aggregate total of remuneration to employees: None.

- (3) The distribution of remuneration and the results reported at the shareholders' meeting: The Board of Directors held on Mar. 14, 2025 resolved to distribute remunerations to employees and directors for 2024, which is yet to be reported

at the 2025 Annual General Meeting of Shareholders.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

The Chairman explained in the meetings of the Remuneration Committee and the Board of Directors that, considering the significant increase in the price level due to the rise in international inflation from the fourth quarter of 2024 onwards, resulting in the increase in various costs and expenses, only NT\$5.9 million out of the NT\$6.5 million of the director's remuneration for 2023 will be distributed, and the remaining NT\$0.6 million will not be distributed but released to the salary expenses. There is no difference in the actual distribution of employees' remuneration.

(VI) Share repurchase by the Company: None.

II. Corporate bond application: None.

III. Preference share: None.

IV. Overseas depositary receipts: None.

V. Handling of employee stock warrants:

- (I) Status of employee stock warrants up to the publication date of the annual report, and the impact on shareholders' equity:

Apr. 30, 2025

Types of employee stock option warrants	The first issue of employee stock warrants for 2016
Declaration effective date/total number of units	Not applicable/700
Issuance date	Nov. 16, 2016
Duration of stock warrant	Nov. 16, 2016 to Dec. 25, 2016 (40 days)
Units issued	700 (1,000 shares can be subscribed per unit)
Units available for issuance	0
Ratio of subscribed shares upon issuance to total number of issued shares	2.38%
Subscription period	Nov.16. 2016 to Dec. 25. 2016
Performance method	Issuance of new shares
Restricted subscription period and ratio (%)	Not applicable
Number of shares acquired	658,000 shares
Amount of subscription	NT\$ 13,160,000
Number of shares not subscribed	42,000 shares
Subscription price per share for unsubscribed shares	NT\$ 20
Ratio of the number of unsubscribed shares to the total number of issued shares	0.14%
Impact on shareholders' equity	The most important competitive advantage for the Company's development is professional talents. Retaining talents through employee

	stock options will be a way for the Company's stable development, which will have a positive impact on shareholders' equity. The possible dilution ratio to the original ordinary shareholders' equity is 2.38%, the dilution effect is limited.
--	--

Note: The Company was not a public company when it issued the employee stock warrants. Therefore, in accordance with Article 167-2 of the Company Act, the Company issued according to the resolution of the Board of Directors on Nov. 15, 2016.

(II) The names of managers who have acquired employee stock warrants and the top ten employees who have acquired employee stock warrants up to the publication date of the annual report, as well as the status of acquisition and subscription:

Apr. 30, 2025; Unit: Thousand shares; NT\$ thousand

	Title (Note 1)	Name	Number of shares subscribed	Ratio of the number of shares subscribed to the total number of issued shares (%) (Note 4)	Executed (Note 2)				Unexecuted (Note 2)			
					Number of shares subscribed	Subscription price (NT\$) (Note 5)	Subscription amount	Ratio of the number of subscribed shares to the total number of issued shares (%) (Note 4)	Number of shares subscribed	Subscription price (NT\$) (Note 6)	Subscription amount	Ratio of the number of subscribed shares to the total number of issued shares (%) (Note 4)
Manager	CEO	Qiang, Huang	234	0.78	234	20	4,680	0.78	-	-	-	-
	President (Note 7)	Xun-Gao, Huang										
	Vice President (Note 7)	Qing-De, Wu										
	Finance and Accounting Manager (Note 7)	Ming-Qiu, Ye										
Employee (Note 3)	Business Manager (Note 8)	Liang-Hong, Zhong	295	0.98	295	20	5,900	0.98	-	-	-	-
	R&D Manager (Note 8)	Yue-Li, Chen										
	Manager	Hong-Rong, Lin										
	Manager	Jin-Zheng, Guan										
	Special Assistant and Production Manager (Note 8)	Da-Zhong, Huang										
	Special Assistant	Xin-Hong, Lin										
	Assistant Manager of the Management Department	Bao-Hui, Huang										
	Employee	Mei-Yu, Chen										
	Employee	Ai-Zhu, Wang										
	Employee	Bi-Ying, Zhong										

Note 1: Including managers and employees (if they have resigned or died, please specify), the individual names and titles should be disclosed, but their acquisition and subscription should be disclosed in aggregate.

Note 2: The number of columns will be adjusted according to the actual number of issues.

Note 3: The top ten employees who have acquired employee stock warrants refer to employees other than managers.

Note 4: The total number of issued shares refers to the number of shares listed in the change registration information in the Ministry of Economic Affairs.

Note 5: The subscription price of the executed employee stock warrants shall be the price at the time of execution.

Note 6: The subscription price of the unexecuted employee stock warrants shall be the price after calculation and adjustment in accordance with the issuance method.

Note 7: Xun-Gao, Huang stepped down as President on Jan. 26, 2017 and was succeeded by Qing-De, Wu on the same day, and Ming-Qiu, Ye was appointed as the Assistant Manager of the Accounting Department on Apr. 1, 2017.

Note 8: Liang-Hong, Zhong was appointed as Business Assistant Manager, Yue-Li, Chen was appointed as R&D Assistant Manager, and Da-Zhong, Huang was appointed as Vice President and Plant Manager on Apr. 1, 2017.

- (III) Private placement of employee stock warrants in the latest three years and up to the publication date of the annual report: None.

VI. New shares issued to employees with restricted rights: None.

VII. New share issuance in connection with mergers and acquisitions:

- (I) In the latest year and up to the publication date of the annual report, those who have new share issuance in connection with mergers and acquisitions: None.
- (II) In the latest year and up to the date of publication of the annual report, those who have new share issuance in connection with mergers and acquisitions approved the resolution by the board of directors: None.

VIII. Progress on the use of funds:

- (I) Plan Content:
For the period as of the quarter preceding the publication date of the annual report, the uncompleted public issue or private placement of securities, and the issues and placements that were completed in the latest 3 years but have not yet fully yielded the planned benefits: None.
- (II) Implementation status: Not applicable.

Chapter IV. Business performance

I. Content of business

(I) Scope of business operation:

1. The main contents of the Company's business operations:

- (1) Livestock farm operation industry.
- (2) Livestock and poultry breeding industry.
- (3) Livestock service industry.
- (4) Slaughtering industry.
- (5) Other food manufacturing industry, unclassified.
- (6) Feed manufacturing industry.
- (7) Canned, frozen, dehydrated and pickled food manufacturing industry.
- (8) Baked and steamed food manufacturing industry.
- (9) Edible fats and oils manufacturing industry.
- (10) Flouring industry.
- (11) Livestock and poultry wholesale industry.
- (12) Wholesale industry of other agricultural, livestock and aquatic products.
- (13) Edible fats and oils wholesale industry.
- (14) Foodstuffs wholesale industry.
- (15) Feed wholesale industry.
- (16) Agricultural products retail industry.
- (17) Livestock products retail industry.
- (18) Feed retail industry.
- (19) Storeless retail industry.
- (20) International trade industry.
- (21) Warehousing industry.
- (22) General investment industry.
- (23) Real estate leasing industry.
- (24) Agriculture, forestry, fishery, and livestock consulting industry.
- (25) Management consulting industry.

2. Revenue proportion:

Unit: NT\$ thousand

Product item \ Year	2024	
	Net revenue	Proportion (%)
Poultry and livestock feed	1,474,771	51.62%
Eggs	883,463	30.92%
Breeding	355,432	12.44%
Bulk raw materials	137,758	4.82%
Others	5,476	0.20%
Total	2,856,900	100.00%

3. The current merchandise (product) items of the Company

- (1) Poultry and livestock feed: Pig feed, broiler feed, hen feed, duck and goose feed, and other functional livestock and poultry feed.
- (2) Egg products: Important subsidiaries are mainly engaged in livestock and poultry raising and the sale of agricultural and livestock products (e.g., egg washing and bulk egg cartoning).
- (3) Breeding: The Company started to co-run pig farms for the raising and sale of pigs in 2017 and run poultry (chicken and duck) farms at the end of 2018.
- (4) Bulk raw materials: Import and sale of bulk grains such as corn, soybeans and wheat.
- (5) Others: Warehousing and logistics management services and feed processing services.

4. Products under development

Products	Description of purpose
Environmental feed	Control or change the discharge of livestock manure at the source of feed to minimize environmental pollution.
Complete feed with high feed efficiency and high performance	In order to improve the taste of meat, we have developed performance-enhanced feeds that can increase the lean meat percentage and reduce the fat percentage to increase the product value.
Functional feeds	Developing various organic feeds, such as adding plant extracts and probiotics, so that the livestock will have relevant functional effects after consumption.

(II) Industrial profiles:

1. The status quo and development of the industry

Feed preparation includes livestock, poultry and aquatic animal feeds. The Company mainly produces and sells livestock and poultry feeds; looking into the

evolution of the feed industry in Taiwan, in the early days, the number of farms was not large, and most of the feeds were leftovers; when it was found that mixing multiple raw materials to feed could make the poultry and animals grow better, people began to produce feeds or supply self-made raw materials; after the poultry and livestock farming industry could make a profit, the scale of feed industry became larger and larger, and small feed factories were established all over Taiwan; and with the increase in market demand, the scale became larger and larger. The companies adopted mechanized operation strategy and the introduced a full set of advanced equipment from abroad, or conducted technological cooperation and established joint ventures with foreign companies for the development of emerging products. Coupled with government policy assistance and other factors, a number of large-scale food enterprises emerged, which have been developed towards upstream and downstream industries for vertical integration in recent years, showing a centralized development trend.

Meat and eggs are the main sources of protein for our people, and the demand for meat is higher for pork and poultry. According to the Annual Report on Food Supply and Demand of the Council of Agriculture of the Executive Yuan, pork and poultry accounted for more than 90% of the total, resulting in a stable demand for breeding feeds; according to the Annual Report on Agricultural Statistics of the Council of Agriculture of the Executive Yuan, the compound feeds used in Taiwan are still commercial feeds produced by professional feed manufacturers, especially the poultry category, which almost all uses commercial feeds, and only pig farming uses a higher rate of self-prepared feeds; in the future, under the rising public awareness of food safety and the leadership of government policy, the complete feed with high feed efficiency and high performance and the blank feeds with no drug residue will be the trend of feeds, and feeds with professional formulas are better than self-prepared feeds in terms of breeding rate and meat conversion rate, which can increase the added value of livestock and poultry products. Larger feed plants in Taiwan have already invested in the construction of blank feed production lines to produce feeds without drug residues. Self-prepared feeds are mostly prepared by the farmers themselves, and it is not easy for the competent authorities to control the quality of the feeds, and it is often easy to cause concerns about the safety of consumption. People have been paying more and more attention to environmental protection issues in recent years, and the professional environmental feeds can also control or change the discharge of livestock manure at the source, and minimize the environmental pollution. It is expected that professional feed manufacturers will continue to increase their market share.

Since the upstream raw materials of the food industry in Taiwan, such as grains and bulk materials, are mostly imported from foreign countries, the global feed prices have remained in a relatively low range due to the global production and inventory of most grains, such as soybeans and corn, and the prices have remained stable in the recent years, increasing the willingness to increase the number of livestock raised by farmers in some countries around the world. However, according to the survey report on the number of pigs raised by the Council of Agriculture of the Executive Yuan, the number of pigs raised in Taiwan has been decreasing year by year, but the weight of pigs for sale in the market has been increasing gradually, so the consumption of pig feeds does not decrease; in recent years, the number of poultry raised in Taiwan was significantly reduced only in 2015 due to the avian influenza outbreak, which led to the drop in the demand for poultry feed during that year; in the past few years, the avian influenza has been brought under control in

Taiwan, and the overall impact has been reduced. As the public confidence in the consumption of poultry products gradually recovered, poultry farmers continued to resume the breeding of poultry, and the government strictly cracked down on illegal feed factories, which drove the steady growth of the consumption of commercial feeds after 2016.

2. Association among the up-, mid- and down streams

The Company is a feed manufacturer in the midstream of the livestock industry chain. Almost all of the grains used in feed production in Taiwan are imported, mainly corn and soybeans, so it is very important to keep track of price trends of raw materials and choose the right time to buy. In addition to producing feed products for livestock, the Company also provides customized feed, functional feed research and development, and management consulting services. In Mar. 2017, the Company began to jointly operate pig farms with farmers, use self-produced feed to feed the pigs and sell meat (piglets); in recent years, we have moved towards the model of contract pig farming, which further increases the benefits of both parties. At the same time, the Company has gradually constructed additional sow birthing barn facilities to increase the number of sow birthing pens and increase the number of piglets born. Due to the consumption of our own feeds, the plant output increased and the unit operating cost decreased, thus increasing the Company's overall efficiency and profit.

In Oct. 2018, the Company also entered into the poultry farming (e.g. colored chickens), vertically integrated upstream and downstream, and cooperated with farmers and distributors to complete the sales of livestock and poultry products; in 2020, the Company even actively integrated with farmers to increase the number of cooperatively operated farms for colored chickens, ducks, and geese, thus achieving one-stop operation of the feed manufacturing and livestock and poultry breeding; in Sep. 2019, the Company established a subsidiary (Morn Sun Food Corp.), and holds 60% of its shares currently. Morn Sun Food Corp. is engaged in the washing and sale of eggs, and currently sells its own brand of "FuWeng Washed Eggs" in major variety stores such as PX-Mart, Simple Mart, RT-Mart, and Carrefour, while the washed eggs are mainly sold to medium-sized breakfast chains such as Q-Burger, MyBurger, and Hong Ya Burger. With the advantages of HACCP, CAS, and production and sales history certifications, the Company will actively negotiate with group catering companies, McDonald's, KFC, and Mos Burger, and other fast-food restaurant chains that require 3-seal and 1Q qualifications. The Company will also develop eggs with functional ingredients, plan and establish liquid egg production lines and deep processing lines of eggs, develop eggs containing functional ingredients (e.g. lutein, DHA, selenium, etc.), and sell and deliver them under our own brand. We will set up a delivery platform (website), continue to develop group-buying markets, communities, restaurants, firms, supermarkets and central kitchens in the catering industry to increase the turnover of washed eggs and increase our market share.

Vertical integration and one-stop operation will drive the performance of the Company's poultry and livestock feed business. We will fully utilize our research and development strength and excellent production processes to produce better feed and diversify into the meat and egg markets, thus creating impressive revenue and profit.

Upstream	Midstream (the Company)	Downstream
Bulk grain suppliers Other raw material suppliers	Feed manufacturing and sales Pig breeding and sales Colored chicken breeding and sales	Livestock and poultry farms Meat distributors, wholesalers and electric slaughtering plants

3. Product development trends

Feed industry

(1) Consumers pay attention to food safety

With the rise of consumer awareness, the public has been paying more and more attention to the quality and safety of commodities. The consumers have increased requirement for food safety dramatically, and the government health authorities have also strengthened drug residue testing and hygiene management inspection. For this reason, the Company have been using a blank feed production line since 2013, through which we produce feed without drug residues, and we have obtained HACCP and ISO22000:2018 certifications for quality control, so that we can guard consumers' health at the source of food and expand our market share.

(2) Stable growth of high value-added products

The demographic structure of Taiwan presents a continuous aging trend, the proportion of middle-aged and elderly people continues to increase, driving the emergence of business opportunities for nutritional, anti-aging, and organic products. Consumers are relatively more willing to purchase low-calorie and low-fat products; related functional feeds can increase the palatability of livestock and poultry meat, reduce the fat ratio, and increase the added-value of livestock and poultry products, so the market of functional feeds will grow steadily.

(3) Vertical integration or cooperation ability

The domestic feed market has stabilized and the growth in demand has gradually slowed down. Therefore, the industry is moving towards vertical integration, diversification, and conglomeration, and the Company has also extended its operation from the feed production to breeding and channel sales. In Sep. 2019, a subsidiary (Morn Sun Food Corp.) was established to engage in the washing and sorting of eggs and the sale of raw eggs in bulk containers, which increased the output of the parent company. In addition, the continuous reconstruction of pig farms increased the number of female breeding pigs and improved the rearing rate of pigs. If the number of piglets increased, we can cooperate with the contract pig farmers or sell piglets and then use our pig feed, which expands the breeding business and increases feed sales, strengthens competitiveness, and creates market share, thus increasing gross margins, stabilizing the growth of feeds, and increasing the profits.

Breeding technology

In response to the rapidly growing global demand for livestock products and to

mitigate the impact of the livestock industry on the ecological environment, breeding technology has become the mainstream of industry development. Analyzing animal husbandry technology from the perspective of market demand and production supply, the former is mainly production-oriented, aims to meet the needs of consumers, takes into account the increased awareness of the consumers about environmental conservation, and emphasize on food hygiene and safety as well as the production and sales history certifications, in order to protect food safety for consumers and the right to food source traceability. The latter is production management oriented, introduces more accurate weather forecasting system, big data analysis and management, and intelligent AI breeding models in an interdisciplinary manner to improve the ability to cope with climate change, stabilize product output and quality, reduce waste in the production process, and increase the output value. For example, the emerging cold chain logistics system gradually allows domestic meat and eggs to maintain constant temperature from production to consumption, which increases the added value of the products and ensures food safety, and can increase consumers' willingness to buy.

4. Competition

Feed industry

Due to the government's recent crackdown on illegal feed manufacturers, the industry has showed a centralized trend. Over the years, the feed industry has been keeping improving and competitively launching high-quality products. The Company pays great attention to product research and development, quality control of raw materials, production process, and food safety, and strictly controls our production lines and transport processes in order to produce drug-free and pollution-free feeds that can reassure the consumers; in addition, most of the other major feed manufacturers on the market focus on standardized production to pursue sales volume, while our company actively develops highly customized and functional products to satisfy the needs of different customers, and creates higher profits with niche products and customer-oriented services.

Breeding

Due to the large number of pig breeds, the quality and taste of pigs will be an important factor of competition in the industry. Professional breeding techniques, equipment and manpower, including the introduction of advanced overseas breeding techniques or equipment and the development of agricultural technology, will also be an important basis for competition in the industry. Through professional personnel and equipment, the Company will utilize technology-based breeding methods with self-developed feeds to produce high quality pork.

(III) Technology & know-how and research & development in summary:

1. Technology level and research and development of business operations

The Company still maintains relatively large competitive advantages in the poultry and livestock feeds industry, which is mainly due to the R&D team's continuous research and development of feed production technology and technical exchanges with relevant domestic and foreign experts from time to time. We also establish long-term industry-school cooperation with the Department of Veterinary Medicine, National Pingtung University of Science and Technology and the Yunlin-Chiayi-Nantou Animal Disease Diagnostic Center, Department of Veterinary Medicine, National Chiayi University, in order to enhance the Company's research and development capabilities through the combination of academics and practices. Currently, the Company's ongoing R&D projects are as follows:

- (1) Complete feed with high feed efficiency and high performance
By researching the net energy, effective amino acids, essential fatty acids, and trace minerals required by poultry and livestock at various stages of growth, and adding enzymes and natural enhancers, we have established optimal feed formulas to improve feed efficiency and enhance animal productivity performance.
- (2) Research and development of low-pollution environmental feeds
In order to minimize environmental pollution, the Company continues to develop feeds that are low in nitrogen, low in odor, meet the heavy metal content standards of national feed regulations, and have a high rate of absorption, thus achieving ecological protection of the earth.
- (3) Development of functional feeds
In response to market and customer demands, the Company have researched and developed antibiotic-free, egg-quality-enhancing, vegetarian, and high-functional feeds to increase market competitiveness.
- (4) Training R&D talents to promote technological development
The Company actively cultivates R&D talents and provides complete internal and external professional trainings to enhance the professional skills of our employees and improve their quality, and promote the development of key technologies.
- (5) Research and development of feed process
The Company researches and develops the latest production technology, and continues to install new types of pulverizers, conditioning and ripening machines and other advanced machinery to increase feed production capacity and improve quality.

2. R&D personnel and their education/work experience

Education \ Year	2023		2024		Up to now in 2025	
	Head count	%	Head count	%	Head count	%
Master and Doctor	1	33.0	1	33.0	1	33.0
University (college)	2	67.0	2	67.0	2	67.0
Total	3	100.0	3	100.0	3	100.0

3. Annual R&D expenditure in recent five years

Unit: NT\$ thousand

Item \ Year	2020	2021	2022	2023	2024
R&D expenditure	18,697	5,740	4,848	4,065	6,147
Net revenue	2,276,984	2,999,605	3,370,796	2,910,168	2,856,900
Ratio of R&D expenditure to net revenue	0.82%	0.19%	0.14%	0.14%	0.22%

4. The technology & know-how or products successfully developed by Highlight Tech Group in the latest 5 years

Year	Successfully developed technology or product
2020	<ul style="list-style-type: none"> ● Flaxseed feed for laying hens ● Seaweed powder feed for laying hens
2021	<ul style="list-style-type: none"> ● DHA (flaxseed) feed for laying hens certified by the Academy of Agricultural Sciences ● Ganoderan feed for laying hens certified by the Academy of Agricultural Sciences ● Lutein feed for laying hens certified by the Academy of Agricultural Sciences ● Isovitexin feed for laying hens certified by the Academy of Agricultural Sciences ● Organic selenium feed for laying hens certified by the Academy of Agricultural Sciences ● Taiwanofungus camphoratus feed for laying hens
2022	<ul style="list-style-type: none"> ● DHA (flaxseed) feed for laying hens certified by the Academy of Agricultural Sciences ● Ganoderan feed for laying hens certified by the Academy of Agricultural Sciences ● Lutein feed for laying hens certified by the Academy of Agricultural Sciences ● Isovitexin feed for laying hens certified by the Academy of Agricultural Sciences ● Organic selenium feed for laying hens certified by the Academy of Agricultural Sciences ● Ganoderma lucidum feed for laying hens ● β-carotene feed for laying hens
2023	<ul style="list-style-type: none"> ● Puffed feed for laying hens ● Lutein feed for laying hens
2024	<ul style="list-style-type: none"> ● Ganoderma lucidum feed for elderly laying hens ● Organic selenium feed for laying hens during the whole breeding period

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

1. Short-term strategy:

- (1) Create profits - Develop more competitive and value-added products according to customer needs and create higher profits.
- (2) Purchase additional production equipment - Add, construct, and manufacture

feed production facilities and install puffing machine to enhance the capacity of the existing pelletizing system, promote the sterilization and uniform ripening of raw materials, improve feed quality and conversion rate, and provide customers with safe and high-quality feed products.

- (3) Introduce automated production process - add new equipment to the production line to increase production capacity, and utilize AI automation to add auxiliary materials and robot arm packaging equipment to reduce working hours and lower costs.
- (4) Establish cooperative breeding mode - Adopt upstream and downstream integration or cooperation method, integrate upstream seed source operators and downstream farmers, and establish self-breeding or contract cooperative operation mode to effectively reduce production cost and capital expenditure, improve feed efficiency and breeding rate, and use self-produced drug-free feeds and stable source of chicks for breeding.

2. Medium- and long-term strategies

Based on the concept of medium- and long-term development and sustainable management, the Company will actively move into the fields of breeding, egg products, slaughtering and meat processing and enter the food market based on the main business of feeds, in order to achieve vertically integrated development.

- (1) Invest in self-owned laying hen farms

In order to secure a safe, fresh and stable source of eggs, it is imperative to build our own laying hen farms, and we will use the feeds produced by our company (which guarantee safety of feeds) and establish a complete production history to provide consumers with safe and fresh eggs.

- (2) Establish egg washing and sorting lines, collection yards and distribution channels

Invest in the establishment of egg washing and sorting lines and collection yards, look for and develop cooperative partners and egg processing factories, cultivate relevant management and operation talents, and establish Morn Sun's own brand and future production and marketing channels for food processing, in order to achieve one-stop production and marketing.

- (3) Cooperate to set up a slaughter house

Expand the poultry farming scale and cooperate to set up a slaughter house to slice, freeze, and package chickens, ducks, and geese, supply to restaurants, mass merchandisers, and supermarkets, and actively enter into the supply chain of catering chains and the meat processing market.

II. Markets, production and marketing in summary

(I) Market analyses:

1. The sales regions of our main products:

Unit: NT\$ thousand

Sales region \ Year	2023		2024	
	Sales	Ratio to net sales revenue	Sales	Ratio to net sales revenue
Domestic sales	2,909,349	99.97%	2,856,267	99.98%
Export	819	0.03%	633	0.02%

Total	2,910,168	100.00%	2,856,900	100.00%
-------	-----------	---------	-----------	---------

2. Market share:

(1) Livestock feeds

Most of our feed sales customers are concentrated in the south of Changhua, especially in Kaohsiung and Pingtung, and we also sell some of our laying duck feeds to customers in the coastal areas of Taichung and Changhua. According to the survey reports on the production of compound feeds in Taiwan by the Council of Agriculture of the Executive Yuan for the past few years, our market share of the commercial compound feeds for livestock and poultry is about 2%-2.5%.

(2) Bulk raw materials

The Company's transactions of bulk raw materials are imported bulk grains such as corn, soybeans, and wheat. In addition to own production, the Company also resells some of these grains to other feed producers, the nature of which makes it difficult to calculate the market share.

3. The future market supply and demand and growth potential:

In terms of demand, both the feed industry and pig breeding are currently to meet domestic demand. According to the overall economic environment in Taiwan, it is expected that the economy will recover, which will increase the public willingness to consume food, and drive the sales performance of food industry in Taiwan; and the sales of livestock and poultry are expected to increase, which will increase the sales of our feeds and pigs. In the future, the Company will continue to develop towards the vertical integration of upstream and downstream of feed production and livestock and poultry breeding, which will also ensure the steady growth of feed production.

Due to the unsatisfactory working environment in the domestic pig farming industry and the impact of population aging, although the overall number of pigs raised has not significantly increased or decreased, the number of farms has decreased; since the per capita consumption of pork has not been reduced, we can only rely on imports for the shortfall in demand; the majority of our people prefer warm pork, and most of the imported frozen pork is used for meat processing. The Company enters the breeding market at this time, and will be able to continuously increase production and sales volume by utilizing advanced breeding technologies such as next-generation agricultural technology and self-developed functional feeds.

4. Competitive niche:

(1) Strong marketing and service capabilities and high degree of customization

The Company has been entering the market for a long time, establishing a good and stable cooperation with our customers, and winning their trust with our professional services and excellent product quality. We have business offices in various regions, and maintain close contact with farmers, provide customers with all kinds of consulting services, and solve their breeding problems quickly. We can also produce highly customized products to meet different breeding needs and enhance specific nutritional requirements, thus increasing the added value of poultry and livestock products and achieving a win-win cooperation with our customers.

(2) Food safety issue is attracting attention, and the production of blank feed

products meets market demand

In the past, a number of food safety incidents, such as eggs with antibiotics, dioxin, Sudan, and fentanyl residues, or the occasional avian influenza incidents, have caused consumers to lose confidence in domestic food products, and people have demanded that the relevant governmental authorities set up relevant food safety regulations and strictly control food safety. Therefore, feed without drug residues has become a major product of the industry in the future; in order to allow consumers to confidently buy qualified meat and eggs, the Company has long established a blank feed production line to provide customers with high-quality products without drug residue throughout the entire process, from incoming raw materials quality control, production processes to the delivery of finished blank feeds, in order to meet the market demand and enhance the competitiveness of the Company.

- (3) Stable manufacturing and excellent R&D capabilities, flexible and fast delivery time

The Company has R&D and production teams with years of experience in R&D and familiar with production operations, can provide complete technology and services from R&D, manufacturing process to production and formula design, and have obtained HACCP and ISO22000:2018 certifications for quality control. We can also meet customers' delivery schedules and deliver products to customers quickly to satisfy their needs.

5. Advantages and disadvantages of development and countermeasures:

(1) Advantages

A. Stable market demand

The Company's main business is livestock and poultry feeds, and the feed industry has shown a stable development trend so far. Although the market growth is relatively slow, the demand is still stable because the end products, eggs and meat, are the main sources of animal protein intake for the public; in recent years, due to livestock and poultry diseases, farms and feed factories have been affected to varying degrees, especially small and medium-sized factories that have withdrawn from the market due to financial difficulties. In addition, due to food safety problems, the government is actively cracking down on illegal processing plants, the feed industry has begun to consolidate small plants, and the Company's market share in the feed market increases gradually. In line with government policies and the increased public awareness of food safety, feed without drug residue has become the mainstream, and the Company has already completed the construction of a blank feed production line, which will provide future products with stronger advantage and continue to expand our market share; at the same time, the Company will also install puffing machines to enhance the capacity of the existing pelletizing system, promote the sterilization and uniform ripening of raw materials, improve feed quality and conversion rate, and provide customers with safe and high-quality feed products.

B. Vertical integration of industry

In addition to continuously stabilizing its feed business, the Company is also actively moving towards vertical integration to expand operation scale and gain a cost advantage. Since eggs and meat are the main

sources of animal protein for the public, pork consumption accounts for about 50% of the total meat consumption in Taiwan, and the pig farming industry occupies an important position in both production and consumption, the Company started to cooperate in the operation of pig farms from Mar. 2017, and also entered into the poultry farming (e.g. colored chickens) at the end of 2018. We use self-produced feeds for breeding to effectively reduce costs and enhance competitiveness, which will contribute to the revenue in the future.

The Company established a subsidiary (Morn Sun Food Corp.) in Sep. 2019, and currently holds about 60% of its shares. Morn Sun Food is engaged in the washing, sorting and sale of eggs, and drives the sales volume growth of the Company's poultry feeds.

C. Good location of the factory

The Company's production base is located in Xiaogang Industrial Park, Kaohsiung City, which is close to Port of Kaohsiung and the central-south area where the breeding industry is booming; our major raw materials are mostly imported by ship, so the raw materials can be transported to the production plant near the port after arrival, and the feed products can also be quickly transported by land to the locations of our customers upon completion, which effectively reduces the time and cost of transportation for raw materials and finished products, enhances the competitiveness of our products, and improves the quality of our services.

(2) Disadvantages

A. Frequent occurrence of food safety problems and lack of consumer confidence

With the rise of consumer awareness, the public has been paying more attention to the quality and safety of the commodities they eat and use every day. However, a number of food safety incidents have occurred in recent years, resulting in a loss of consumer confidence in domestic food products, which will affect the willingness to consume; as feed is the main source of food for poultry and livestock, how to provide qualified feed to farmers will be a key factor for the future development of the feed industry.

Countermeasures:

In order to allow consumers to confidently use meat and egg products without drug residue, the Company has established a production line for blank feed without drug residue to provide customers with products without drug residue throughout the entire process from incoming raw materials quality control, production processes to the delivery of finished blank feeds, in order to produce products that meet the requirements. The Company started to cooperate in the operation of pig farms from Mar. 2017, and entered into the poultry farming (e.g. colored chickens) in Oct. 2018, vertically integrated upstream and downstream, and cooperated with farmers and distributors to complete the sales of livestock and poultry products. The Company established a subsidiary (Morn Sun Food Corp.) in Sep. 2019, which is engaged in the washing, sorting and sale of eggs, and drives the sales volume growth of the Company's feeds. It also uses the feeds without drug residue produced

by the Company, so as to safeguard the health of the consumers. Therefore, we believe that the Company's sales volume will continue to increase under the rising awareness of food safety and the guidance of government policies.

B. Fluctuations in prices of international raw materials

Domestic bulk raw materials, such as corn and soybeans, are still highly dependent on imports, and purchase prices are based on international futures prices. Under the influence of multiple uncertainties such as global economic environment, climate change, foreign exchange markets and futures prices, the fluctuations in raw material prices continue to intensify. Starting from 2024, major economies around the world gradually enter a cycle of interest rate cuts, but geopolitical risks and inflationary pressures still cause market disruptions. In 2025, the U.S. tariff policy causes significant global economic changes and exchange rate fluctuations, with the exchange rate exceeding NT\$33 per U.S. dollar, further pushing up import costs. As key raw materials account for a high proportion of feed costs, price fluctuations pose a challenge to feed cost control.

Countermeasures:

The Company has experienced purchasing personnel and maintains long-term cooperation with domestic and foreign experts and scholars, so that we are sensitive to changes in the prices of raw materials. The Company pays attention to the changes in the raw material market at any time, and adjusts the inventory safety stock and take other measures in a timely manner to cope with the risk of fluctuations in the prices of raw materials.

C. Fierce competition in the feed products market

The feed industry has been developing for a long time, in addition to some companies that maintain continuous expansion due to vertical integration, there are still many small factories in the market. In this highly competitive market, the price is no longer a decisive factor, how to satisfy customers' needs for various kinds of feeds and solve the problems in the breeding process will become the core of the competition among all the factories.

Countermeasures:

The Company has been established for more than 60 years, and since the establishment, we have been focusing on the research and development and manufacturing of products, producing highly customized feed products according to the various needs of customers, and continuously researching and developing new products to maintain our competitiveness. At the same time, we are accelerating the vertical integration to increase the feed production and reduce the cost. For a long time, we have been building up a deep friendship with our customers by providing them with high-quality feed products and instantly solving the problems in breeding process. Therefore, we can maintain our position in the highly competitive market and maintain sustainable development.

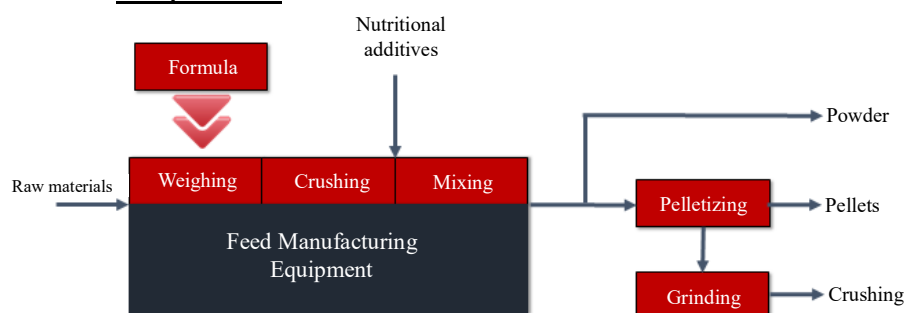
(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

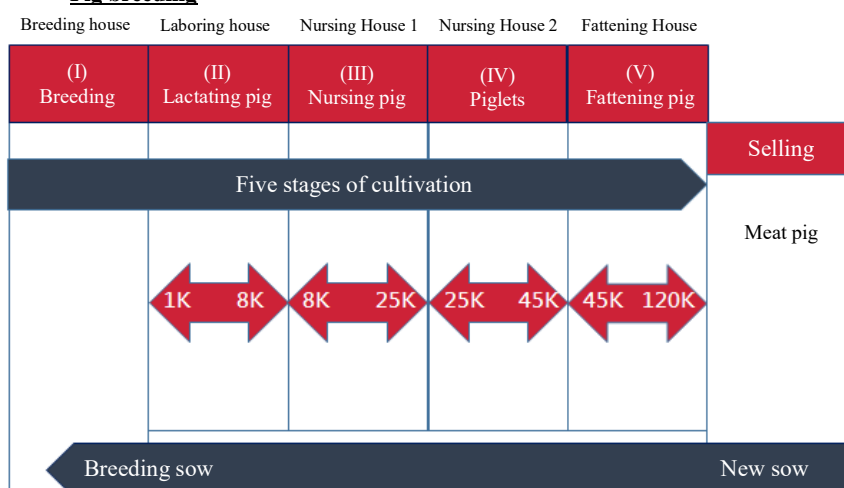
Production of feeds for chickens, ducks, geese and pigs, and pig breeding.

2. The manufacturing process

Feed production



Pig breeding



(III) Supply status of major raw materials

The main raw materials for the Company's poultry and livestock feed products are corn and soybeans, most of which are purchased from major global grain suppliers, and are also purchased through joint purchasing with peer companies to reduce purchasing costs. The supply of each supplier is generally stable.

(IV) The list of the major purchase and sale customers:

- Names of any suppliers that have supplied 10 percent or more of the Company's procurements in either of the last two years, and the amount and proportion, as well as the reasons for increase or decrease:

Unit: NT\$ thousand

2023					2024				The Q1 of 2025			
No.	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases as of the last quarter of 2023 (%)	Relationship to the issuer
1	Cagill	451,499	19.42	None	Cagill	364,899	16.13%	None	Cagill	103,616	19.63%	None
	Others	1,873,917	80.58	-	Others	1,896,642	83.87%	-	Others	424,181	80.37%	-
	Net purchase	2,325,416	100.00	-	Net purchase	2,261,541	100	-	Net purchase	527,797	100.00	-

Analysis of changes: The decrease in purchase amount in 2024 was mainly due to the impact of raw material prices.

2. Names of any customers that have purchased 10 percent or more of the Company's sales in either of the last two years, and the amount and proportion, as well as the reasons for increase or decrease:

2023					2024				The Q1 of 2025			
No.	Name	Amount	Ratio to net sales in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sales in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sales in the whole year (%)	Relationship to the issuer
	-	-	-	None	Customer A	517,884	18.13%	None	Customer A	133,524	19.53%	None
	Others	2,910,168	100.00%	-	Others	2,339,016	81.87%	-	Others	550,132	80.47%	-
	Net sales	2,910,168	100	-	Net sales	2,856,900	100	-	Net sales	683,656	100	-

Analysis of changes: Mainly due to the resumption of normal egg production capacity and the increase in the trading volume of washed eggs in 2024.

III. Number of employees for the last two years

Apr. 30, 2025; Unit: person/%

Year		2023	2024	From Jan. 1, 2025 to Apr. 30, 2025
Number of employees	Manager and above	7	7	6
	Employee	91	90	90
	Total	98	97	965
Average age (age)		49	49	49
Average years of service (year)		13.1	13.4	13.1
Academic qualification (%)	Master's Degree	5.10	5.15	6.25
	University	29.59	28.87	29.17
	Junior college	18.37	19.58	18.75
	High school	28.57	28.87	29.17

	Below high school	18.37	17.53	16.66
--	-------------------	-------	-------	-------

IV. Environmental spending

Any losses suffered by the Company in the latest year and up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company and others jointly operated a pig farm in Zhushan. On Nov. 14, 2024, the livestock farm received the order Fu-Shou-Huan-Shui-Zi No. 1130265510, stating that there was a discharge of wastewater (sewage) at the drain outlet of the farm, which was in violation of Article 7, Paragraph 1 of the Water Pollution Control Act. The livestock farm cleared all raised pigs or submitted a clearance plan within 15 days from the date of service of the order (the execution period shall not exceed 180 days). The livestock farm has completed the submission of the clearance plan within 15 days from the date of service of the order, and will continuously improve and work out a plan for sewage discharge. The livestock farm has applied for resumption of work and trial runs on Jan. 24, 2025, which was approved by the order Fu-Shou-Huan-Shui-Zi No. 1140030424 on Feb. 5, 2025. Currently, the impact of the incident on the Company will be continuously evaluated.

V. Employee-employer relationship

(I) The Company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

1. Employee benefits and status of implementation

The Company's benefits are divided into those provided by the Company and those provided by the Employee Welfare Committee, which are described as follows:

- (1) The employee benefits provided by the Company: labor and health insurance, labor pension, group accident insurance, regular health checkups, travel subsidies, meal subsidies, parking lots, occasional dinners, year-end dinners, year-end bonuses, and maternity subsidies, as well as wedding, funeral, and hospitalization subsidies to take care of the lives of employees.
- (2) The employee benefits provided by the Employee Welfare Committee: domestic employee travel, gifts for three festivals, birthday gifts, and subsidies for weddings, funerals and celebrations, as well as education scholarships for employees and their children.

2. Employee continuous education and the training

In order to train employees to meet job demands and improve work performance, the Company establishes education and training regulations and organizes employee education and training, including management, professional function training and on-the-job training, to cultivate employees' professional knowledge and skills, and enable them to perform their functions, increase work efficiency, and ensure the quality of work, thus achieving the sustainable operation and development goals of the Company.

3. Retirement system and implementation

The Company has established the Labor Pension Fund Supervisory Committee in accordance with the law to make regular contributions to the special account of the Bank of Taiwan (formerly the Central Trust of China) and audit the contribution and utilization of the pension fund to protect the rights and interests of the employees.

In addition, since the implementation of the new labor retirement system on Jul. 1, 2005, in accordance with the Labor Pension Act, the Company will contribute 6% of the remuneration to the employees' individual pension accounts at the Bureau of Labor Insurance on a monthly basis to protect the employees' rights and interests if the employees who were previously entitled to the old pension system choose to apply the new pension system, or if they come to the Company after the implementation of the new pension system.

4. Status of labor-management agreements and measures for preserving employees' rights and interests

The Company's regulations are based on the Labor Standards Act. The Company attaches great importance to the opinions of its employees, adopts a two-way and open approach in communicating with employees, and maintains unblocked internal communication channels to maintain a good and harmonious interaction between management and employees.

The Company has established a comprehensive document management system, which sets forth various management rules and regulations on employee rights, obligations and benefits, and regularly convenes labor-management meetings and employee welfare committee meetings to review and revise the contents of employee benefits to protect the rights and interests of all employees.

- (II) Describe the losses suffered by the Company as a result of labor disputes in the last two years and up to the publication date of the annual report, and disclose the estimated amounts that may be incurred currently and in the future and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. ICT security management

- (I) Describe the ICT security risk management framework, the ICT security policy, specific management plan and the resources invested in the ICT security management, etc.

1. Cyber Security Risk Management Framework

The Company has set up the Information Group as an independent unit responsible for ICT security risk management.

- (1) The work responsibilities are as follows:
 - A. Computer operation method development and review.
 - B. Computer program and security management.
 - C. Backup of important files.
 - D. Computer equipment installation, testing, maintenance and management.
 - E. Computer trouble contact and troubleshooting.
 - F. Network equipment operation and monitoring.
 - G. Computer operation analysis, program design and testing.
 - H. Computer software installation, on-line operation and training.
- (2) Build firewalls, install anti-virus software and spam filtering software to control and maintain the normal operation of the Company's computers, email and ERP systems, and publicize and inform employees of the "Company Information Security Policy" and the "Regulations Governing the Personal

Information Protection”.

- (3) The Company has established the “Information Security Policy” and complied with the “Regulations Governing Establishment of Internal Control Systems - Information Circulation”, and the Auditing Department has established an ICT security audit system and conducts ICT security audits on a regular basis or from time to time to ensure the effectiveness of its implementation.
2. ICT security policy and specific management program
 - (1) Internet and network security control:
 - A. Set up firewalls and install MDR system. MDR will judge the behavior of the file program at current site and protect against ransom: for behavioral detection, when an abnormal change of a large number of files is detected, the change will be terminated.
 - B. Conduct regular virus scanning for computer systems and data storage media.
 - C. Use network services in accordance with the ICT security policy.
 - D. Regularly review the System Log of each network service item to track abnormalities.
 - (2) Data access control:
 - A. Computer equipment should be kept by a designated person, and account numbers and passwords should be set.
 - B. Different access permissions should be granted according to the functions.
 - C. The original permissions should be canceled for transferred personnel.
 - D. Confidential and sensitive data and copyrighted software should be removed or overwritten before the equipment is scrapped, and the login to management information system should be properly approved.
 - (3) Emergency recovery mechanism:
 - A. Regularly review the emergency response plan.
 - B. Regularly rehearse system recovery every year.
 - C. Establish a system backup mechanism and implement off-site backups.
 - D. Regularly review computer network security control measures.
 - (4) Publicity and review:
 - A. Publicize ICT security information at any time to enhance employees' awareness of ICT security.
 - B. Regularly conduct ICT security inspections every year and submit them to the supervisor in charge.
 - (5) In order to implement ICT security management, the Company has established the internal control system - information circulation and ICT security policy, and expects to achieve the following policy objectives through the joint efforts of all employees:
 - A. Ensure the confidentiality and integrity of information assets.
 - B. Ensure data access is regulated according to departmental functions.
 - C. Ensure the continuous operation of the information system.
 - D. Prevent unauthorized modification or use of information and systems.
 - E. Perform regular ICT security audits to ensure the implementation of ICT security.

3. Resources invested in ICT security management:
 - (1) Network hardware equipment such as firewalls, anti-virus for company mail, and Internet speed analysis.
 - (2) Software systems such as endpoint protection systems, backup management software, and encryption software.
 - (3) Manpower, including: Daily system status check, weekly backup and backup media off-site storage, ICT security education program (at least once a year), annual system disaster recovery drill, annual internal audit of the information circulation, audit by CPAs, etc.
 - (4) Manpower for ICT security: Currently, a supervisor of the Information Group and the hardware maintenance partners are responsible for ICT security architecture design, ICT security operation, maintenance and monitoring, ICT security incident response and investigation, and ICT security policy review and revision.
 - (5) New employees should strengthen the awareness of ICT security.
- (II) List the losses, possible impacts, and countermeasures from major ICT security incidents in the latest year and up to the publication date of the annual report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Joint venture cooperation contract	Yun-Hui, Huang	Mar. 1, 2017 to Feb. 28, 2027	Jointly operated cooperative pig farm program	None
Credit contract	Dah Chung Bills Finance Corp.	May 30, 2024 to May 29, 2025	Nature of commercial paper	None
Credit contract	Yuanta Bank	Jul. 26, 2024 to Jul. 26, 2025	Short-term loan	None
Credit contract	Mega International Commercial Bank	Jun. 23, 2024 to Jun. 22, 2025	Short-term loan	None
Credit contract	E.SUN BANK	Aug. 9, 2024 to Aug. 9, 2025	Short-term loan	None
Credit contract	Taiwan Cooperative Bank	Aug. 5, 2024 to Aug. 4, 2025	Short-term loan	None
Credit contract	Shin Kong Bank	Oct. 1, 2024 to Sep. 28, 2025	Short- and medium-term loans	None
Credit contract	First Bank	Oct. 1, 2024 to Oct. 1, 2025	Short-term loan	None
Credit contract	Agricultural Bank of Taiwan	Dec. 30, 2024 to Dec. 30, 2025	Short-term loan	None
Credit contract	CTBC Bank Co., Ltd.	Dec. 1, 2024 to Nov. 30, 2025	Short- and medium-term loans	None
Credit contract	Chang Hwa Commercial Bank, Ltd.	Feb. 28, 2025 to Feb. 28, 2026	Short-term loan	None

Credit contract	Taipei Fubon Bank	Apr. 27, 2024 to Apr. 27, 2025	Short- and medium-term loans	None
Credit contract	Cathay United Bank	May 31, 2024 to May 31, 2025	Short- and medium-term loans	None
Credit contract	Taishin Bank	Sep. 19, 2024 to Aug. 31, 2025	Short- and medium-term loans	None

Chapter V. Financial Status and Performance Review Analysis and Risks

I. Financial status

Comparative analysis of financial position:

Unit: NT\$ thousand

Item \ Year	2023 (A)	2024 (B)	Difference (B- A)	
			Amount	%
Current assets	1,250,539	1,176,509	-74,030	-5.92%
Fund and long-term investment	399,470	419,794	20,324	5.09%
Property, plant and equipment	415,446	417,362	1,916	0.46%
Intangible assets	207	107	-100	-48.31%
Other non-current assets	117,741	127,466	9,725	8.26%
Total assets	2,183,403	2,141,238	-42,165	-1.93%
Current liabilities	737,041	576,703	-160,338	-21.75%
Non-current liabilities	31,551	70,562	39,011	123.64%
Total liabilities	768,592	647,265	-121,327	-15.79%
Share capital	393,702	413,387	19,685	5.00%
Capital surplus	145,207	145,207	0	0.00%
Retained earnings	568,982	743,136	174,154	30.61%
Other adjustments to shareholders' equity	306,920	192,243	-114,677	-37.36%
Total amount of shareholder's equity	1,414,811	1,493,973	79,162	5.60%
Explanation of significant changes (with a difference reaching NT\$10,000 thousand or a change of 20% or more):				
1. Current liabilities: Decrease in short-term borrowings.				
2. Retained earnings: Mainly due to the increase in net profit after tax , Due to increase in current earnings.,in 2024.				
3. Other adjustments to shareholders' equity: Due to decrease in other equity.				

II. Financial performance

(I) Comparative Analysis of Operating Results - IFRS

Unit: NT\$ thousand

Item \ Year	2023 (A)	2024 (B)	Increase (decrease) (B - A)	
			Amount	Change ratio (%)
Net operating revenues	2,910,168	2,856,900	-53,268	-1.83%
Operating costs	2,615,623	2,531,754	-83,869	-3.21%
Gross profit (Note)	346,288	398,267	51,979	15.01%
Operating income (loss)	125,305	153,267	27,962	22.32%
Non-operating revenues and expenditures	47,191	51,959	4,768	10.10%

Income before tax	172,496	205,586	33,090	19.18%
Income tax expense	36,604	39,123	2,519	6.88%
Net profit for the period	135,892	166,463	30,571	22.50%
Gross profit amount includes "Gain or loss on original recognition of biological assets" and "Gain or loss on change in fair value less selling cost of biological assets".				
Explanation of significant changes (with a difference reaching NT\$10,000 thousand or a change of 20% or more):				
(1) Operating income (loss): Due to the increase in gross profit of products in 2024.				
(2) Net income (loss) for the year: Due to the increase in net operating profit in 2024.				

(II) The expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan:

1. The expected sales volume and its basis: The Company did not prepared any financial forecast for 2025.
2. The possible impact on the Company's future financial business and the response plan: None.

(III) The possible impact's future financial business and the response plan:

The changes in financial ratios for the last two years will not have a significant impact on the Company's future financial operations. However, the Company has always been conscientious, honest and pragmatic in business operations. Our future development strategy will be aimed at making profits and fulfilling our corporate social responsibility, and we will strive to enhance our professional management capabilities to make our product lines more complete and actively manage our inventory, and make timely adjustments to cope with the changes in the external competitive environment, the regulatory environment, and the overall operating environment. Therefore, the Company will not be affected.

III. Cash flow

(I) Analysis on cash flow change in the latest year

Unit: NT\$ thousand

Item \ Year	2023 (A)	2024 (B)	Increase (decrease) (B - A)
Net cash inflow (outflow) from operating activities	237,006	169,842	(67,164)
Net cash inflow (outflow) outflow from investing activities	(44,443)	(6,092)	38,351
Net cash inflow (outflow) from financing activities	(172,901)	(168,009)	4,892
Increase (decrease) in cash flows:			
1. Operating activities: Increase in notes receivable			
2. Investing activities: The amount of financial assets disposed of in the current period increased.			
3. Financing activities: The difference between the two periods is not significant.			

(II) Improvement plan for insufficient liquidity: The Company has no insufficient liquidity, so it is not applicable.

(III) Analysis on the cash liquidity in the coming year (2025):

Unit: NT\$ thousand

Opening cash balance	Net cash flows from operating activities for the year	Net cash flows from investing and financing activities in the year	Cash surplus (deficit)	Countermeasure for cash deficits	
				Investment plans	Financing plans
70,934	133,919	(96,501)	108,352	-	-
1. Analysis on the expected cash flow changes in the coming year (2025): (1) Operating activities: Cash inflows from operating activities are expected due to continuous growth of the Company's operating results and increase in profits. (2) Investing and financing activities: Cash outflows are expected due to the payment of dividends and capital expenditures. 2. Remedial measures and liquidity analysis for anticipated cash shortfalls: There is no expected cash shortfall, therefore, it is not applicable.					

IV. The impact of the significant capital expenditure in the latest year upon the financial performance:

The credit line of borrowings from banks for the Company's working capital is sufficient to cover the capital expenditures in the latest year. Therefore, the significant capital expenditure in the latest year has no significant impact on the financial performance.

V. The reinvestment policies in the latest year, the main reasons for profit or loss on such investment, the improvement plans, and the investment plan in the coming year

(I) Reinvestment policy

The Company's reinvestment policy is based on the principle of taking into account the developmental needs of the industry and long-term strategic investments, rather than short-term financial investments, and is implemented by the relevant executive departments in accordance with the internal control systems, such as the "Investment Cycle", the "Regulations Governing Related Party Transactions", the "Procedures for Acquisition or Disposal of Assets", and other relevant regulations. The above regulations or procedures have been discussed and approved by the Board of Directors or the Shareholders Meeting.

(II) The key reason for the profit or loss, and the improvement plan:

Unit: NT\$ thousand

Investee company	Amount of profit (loss) recognized for 2024	Reasons for profit or loss	Improvement plan
Mom Sun Food Corp.	(18,175)	The cost of eggs declined gradually in 2024, the gross profit of channel products increased compared to previous years, and the amount of loss decreased compared to previous years. We intend to develop high-unit-price customers to increase profits.	Not applicable
Top Food Industry Corporation	47,605	The profit of products increased due to proper control of raw material costs in 2024.	Not applicable

(III) Investment plans in the coming fiscal year: None.

VI. Analysis and evaluation of risks in the latest year and up to the publication date of the annual report

(I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures:

1. The impact incurred by change in interest rate upon the Company's profit and/or loss and the future countermeasures:

The interest expense on bank loans amounted to NT\$9,391 thousand and NT\$8,097 thousand in 2023 and 2024, respectively, accounting for 0.32% and 0.28% of operating revenues, respectively. Although the interest rate increased, the Company had a net inflow of funds and therefore reduced interest expense compared to last year. The Company regularly evaluates the interest rates on bank loans and the utilization of funds, and maintains a close and good relationship with the banks in order to obtain more favorable interest rates on loans and reduce interest expenses. The Company also observes the impact of changes in interest rates in the financial market on the Company's utilization of funds, especially at the end of 2023 when the international inflation rose and the interest rates became the main theme of the monetary policy of various countries in recent years. Therefore, the Company shall be prepared for changes in interest rates in order to minimize the impact of changes in interest rates on profit or loss.

2. The impact incurred by change in exchange rate upon the Company's profit and/or loss and the future countermeasures:

The Company's main currency for foreign exchange transactions is US\$ imports and US\$ letter of credit. Since the Company relies on imports for its main raw materials, such as corn and soybeans, the changes in exchange rates will have a direct impact on the purchasing costs. In 2023 and 2024, the exchange gain (loss) was (NT\$1,309) thousand and (NT\$2,668) thousand, respectively, and the change in exchange rate had certain impact on the Company's profit and loss. The NTD/USD exchange rate continued to decline since 2023. In addition to strictly controlling its foreign currency liabilities and keeping abreast of possible currency fluctuations in the market, the Company will continue to adjust its foreign currency liabilities based on the exchange rate in the future. In 2025, the U.S. tariff policy causes significant global economic changes and exchange rate fluctuations, making exchange rate the main theme of the monetary policy of various countries in recent years. Therefore, the Company shall timely respond to the various situations to minimize the impact of changes in exchange rates on profit or loss.

3. The impact of inflation on the Company's profit and loss and future countermeasures:

According to the Consumer Price Index (CPI) for 2025 released by the Department of Statistics of the Executive Yuan, the average CPI in Jan. - Apr. was 2.15% higher than the same period of the previous year, which indicated that there was no significant inflation. However, the Company will still pay attention to the fluctuations of the market prices of raw materials and maintain good interaction with suppliers and customers in order to minimize the impact of inflation on the Company's profit and loss.

- (II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures:

The Company focuses on the operation of its main business and does not engage in high-risk or high-leverage transactions under the principle of financial soundness and conservatism. Based on operational risk considerations, if the Company intends to engage in lending of funds to others, endorsements/guarantees or derivative financial instrument transactions in the future, it will do so in accordance with the “Regulations Governing the Lending of Funds to Others”, “Regulations Governing Endorsements and Guarantees”, and “Procedures for Acquisition or Disposal of Assets” established by the Company.

The Company has not engaged in high-risk, high-leverage investments or lending of funds to others in the latest year and up to the publication date of the annual report. The Company has provided an endorsement/guarantee of NT\$140 million for its subsidiary (Morn Sun Food Corp.), who needs to apply for a credit line from a financing institution for one year because of its working capital. There were two derivative transactions, which were unsecured, general priority, 3-year, U.S. dollar-denominated, callable, interest rate linked range, interest-bearing financial bonds (A) issued by Taiwan Cooperative Bank, totaling US\$800 thousand.

- (III) The future research & development plans and the expenses anticipated to be invested into research & development:

1. Future research & development programs:

- (1) Complete feed with high feed efficiency and high performance
- (2) Low-pollution environmental feed
- (3) Functional feeds
- (4) Training R&D talents to promote technological development
- (5) Research and development of feed process

2. Estimated R&D expenditure:

In the future, the amount of the Company's estimated R&D expenditure will be gradually scheduled in accordance with the R&D progress of new products, and the expenditure will be gradually increased according to market changes and the R&D progress of new products, in order to enhance the Company's competitiveness.

The Company's consolidated R&D expenditures in 2024 amounted to NT\$6,147 thousand, accounting for 0.22% of revenue. In the future, the Company will continue to invest in advanced technologies, increase the added value of existing production capacity through new technologies and applications, and strengthen feed development and cultivation of R&D talents. In addition, in 2025, the Company expects to maintain R&D expenditures at 0.2%-0.5% of the revenue, and make timely adjustment to the plan according to the actual operating conditions.

- (IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures:

In the latest year and up to the publication date of the annual report, there were no changes in important domestic and foreign policies and laws that had a significant impact on the Company's financial performance. The Company operates in compliance with relevant laws and regulations, pays attention to domestic policy development trends and changes in laws and regulations at all times, regularly consults with relevant professionals, and collects relevant information to provide management with decision-making references, so as to fully grasp and respond to changes in the market environment and make timely

adjustments to the relevant operating strategies.

- (V) The impact of technological changes (including cyber security risk) and industrial changes on the Company's financial performance and countermeasures.

In the latest year and up to the publication date of the annual report, there were no technological changes, including ICT security and industry changes, that had a significant impact on the Company's financial performance. The Company keeps an eye on the trend of technological changes related to the industry, including ICT security and technological development, and promptly grasps the dynamics of the industry. In addition, the Company continuously strengthens its own technological research and development capabilities and introduces new equipment, and actively expands its future market applications (e.g., the Company expects to invest in pig farms with high-technology temperature-controlled and enclosed breeding equipment), in order to cope with the impacts of technological changes and industrial changes on the Company.

- (VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures:

In the latest year and up to the publication date of the annual report, there was no corporate crisis caused by changes in the Company's corporate image. Since establishment, the Company has been focusing on the operation of its main business, complying with relevant laws and regulations, and actively strengthening internal management and enhancing management quality and performance to continuously maintain an excellent corporate image and increase the trust of customers in the Company. The Company will continue to implement various requirements of corporate governance in order to avoid the occurrence of any corporate risks that may affect the Company.

- (VII) Expected benefits, potential risks, and countermeasures of mergers and acquisitions:

The Company had no plans for mergers and acquisitions in the latest year and up to the publication date of the annual report. However, if there are plans for mergers and acquisitions in the future, they will be evaluated in accordance with the "Procedures for Acquisition or Disposal of Assets" established by the Company in order to truly protect the interests of the Company and shareholders.

- (VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures:

The Company had no plan for plant expansion in the latest year and up to the publication date of the annual report. However, if there is a plan for plant expansion in the future, it will be evaluated in accordance with the "Procedures for Acquisition or Disposal of Assets" established by the Company in order to protect the interests of the Company and shareholders.

- (IX) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures:

1. The risks anticipated from the centralized input undertakings and the Company's countermeasures:

The Company's main import items are bulk grains such as corn and soybeans, and all suppliers are famous international grain agents. We have been cooperating with each other for many years, and have established long-term and good cooperation and tacit understanding with each other. Meanwhile, the Company has more than two suppliers of the same nature for each type of raw materials to minimize the risk of supplier concentration. Therefore, there was no supplier concentration or unstable supply of raw materials in the latest year and up to the publication date of the annual report.

2. The risks anticipated from the centralized output undertakings and the Company's countermeasures:

The Company's major sales customers are poultry and livestock farmers, and there is no customer that accounts for more than 10% of the Company's operating revenue, which indicates that the Company's sales customers are dispersed and there is no risk of customer concentration.

- (X) The impacts and risks anticipated from the massive transfer of shareholding by directors, supervisors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures:

In the latest year and up to the publication date of the annual report, there was no massive transfer of shareholding by directors, supervisors or key shareholders who hold more than 10% in shareholding.

- (XI) The impacts and risks anticipated from the change in the managerial powers and the Company's countermeasures:

In the latest report and up to the publication date of the annual report, there has not had any change in control.

- (XII) Litigious and non-litigious matters :

1. List the litigious, non-litigious or administrative disputes that involve the Company and have been concluded by means of a final and unappealable judgment, or are still under litigation in the last two years and up to the publication date of the annual report. Where such a dispute could materially affect shareholders' equity or security prices, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute: None.
2. List major litigious, non-litigious or administrative disputes that: (1) involve the Company's director, supervisor, president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation in the last two years and up to the publication date of the annual report. Where such a dispute could materially affect shareholders' equity or security prices, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute: None.
3. List the circumstances stipulated in Article 157 of the Securities and Exchange Act that occurred to the Company's director, supervisor, manager, and any major shareholder holding a stake of greater than 10 percent in the last two years and up to the publication date of the annual report, and the current handling of the Company: None.

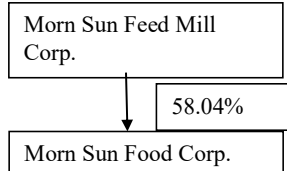
- (XIII) Other critical risks and response measures: None.

VII. Other important disclosures: None.

Chapter VI. Special Disclosure

I. Relevant information of affiliated enterprises

(I) Organization of affiliated enterprises: (base date of preparation: Dec. 31, 2024)



(II) Basic information of affiliated enterprises: (base date of preparation: Dec. 31, 2024)

Unit: NT\$ thousand

Name of enterprise	Establishment Date	Address	Paid-in shares Capital	Main Businesses and Products
Morn Sun Food Corp.	Sep. 19, 2019	No. 11-22, Caolun Rd., Fangyuan Township, Changhua County	270,000	Main business: sales of agricultural and livestock products

(III) Information on the shareholders presumed to have a of control and subordination: None.

(IV) Correlation of businesses of the affiliated enterprises: The Company's affiliated enterprises are engaged in the manufacture, processing and trading of feeds and their raw materials and the sale of related agricultural and livestock products, and so on.

(V) Information and to data of directors and supervisors, general managers affiliated enterprises:

Dec. 31, 2024

Unit: shares

Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares	Ratio of shareholding %
Morn Sun Food Corp.	Chairman	Qing-De, Wu (Morn Sun Feed Mill Corp. Representative of juristic person)	15,670,000	58.04
	Director	Ding-Guo, Wu	1,100,000	0.40
	Supervisor	Bi-Ying, Zhong	15,000	0.06

(VI) Business performance of affiliated enterprises: (base date of preparation: Dec. 31, 2024)

Unit: NT\$ thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating income (loss)	Profit and/or loss this term (after tax net)	Earnings per share (NT\$) (after tax net)
Morn Sun Food Corp.	270,000	381,589	267,790	113,799	884,511	(28,600)	(31,316)	(1.16)

(VII) Consolidated financial statements and financial reports of affiliated enterprises:

Representation Letter

Considering that the companies to be included into the consolidated financial statements of associates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from Jan. 1, 2024 to Dec. 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of associates has already been disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of associates were prepared separately. It is hereby certified that the information disclosed herein is true and correct.

Company Name: Morn Sun Feed Mill Corp.

Responsible person: Qing-De, Wu

Mar. 14, 2025

(VIII) Report of affiliated enterprise: Not applicable.

- II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report: None.
- III. Holding or disposal of the company’s shares by its subsidiaries in the latest year and up to the publication date of the annual report: None.
- IV. Other supplementary information: None.

Chapter VII. Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the latest year and up to the publication date of the annual report that significantly impacted shareholders’ equity or security prices: None.

Morn Sun Feed Mill Corp.

Chairman: Qing-De, Wu