

Morn Sun Feed Mill Corp. and its
Subsidiaries

Consolidated Financial Report and
Independent Auditors' Review
Report
Third Quarter of 2025 and 2024

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Independent Auditor 's Review Report

To Morn Sun Feed Mill Corp.,

Foreword

We have reviewed the accompanying consolidated balance sheets of Morn Sun Feed Mill Corp. (the “Company”) and its subsidiaries (collectively, the “Group”) as of Sept. 30, 2025 and 2024, and the relevant consolidated statements of comprehensive income for the three and nine months ended Sept. 30, 2025 and 2024, consolidated statement of changes in equity and consolidated statement of cash flows for the nine months then ended, and notes to the consolidated financial statement(including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and FSC recognized and published IAS 34 “Interim Financial Reporting”, it is the management’s responsibility to prepare a fair representation of the financial statements, and the CPA’s responsibility to draw a conclusion on the consolidated financial statements based on the review results.

Scope of the report

Except for that stated in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with the Standards on TWSRE 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity”. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is significantly smaller than that of the audit work, so the CPA may not be able to detect all the matters that can be identified through the audit work, and therefore cannot express an audit opinion.

Basis for qualified conclusion

As stated in Note 15 to the consolidated financial statements, as of Sep. 30, 2025, the Group's investments accounted for using the equity method totaled NT\$467,231 thousand. In addition, the share of profit or loss of associates recognized using the equity method from Jul. 1 to Sept. 30, 2025 and from Jan. 1 to Sept. 30, 2025, was NT\$20,804 thousand and NT\$47,437 thousand, respectively, both recognized based on the investees' unreviewed financial statements for the same period.

Qualified conclusion

Based on our review, except for the possible adjustments to the consolidated financial statements for the third quarter of 2025 that might be necessary if the financial statements of the investments accounted for using the equity method, as described in the “Basis for qualified conclusion” paragraph, were reviewed by a CPA, we have not discovered any material modifications that should be made to the aforementioned consolidated financial statements. We believe that the aforementioned consolidated financial statements do present fairly, in all material respects, the Group’s consolidated financial position as of Sept. 30, 2025 and 2024, consolidated financial performance for the periods from Jul. 1 to Sept. 30, 2025 and 2024, and consolidated financial performance and cash flows for the periods from Jan. 1 to Sept. 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Deloitte & Touche

CPA: Chung-Cheng, Chen

CPA: Hai-Yueh, Huang

Financial Supervisory Commission
Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1040024195

Securities and Futures Commission Approval
Document No.
Tai-Cai-Zheng-Liu-Zi No. 0920131587

Nov. 10, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Morn Sun Feed Mill Corp. and its Subsidiaries
Consolidated Balance Sheet
Sept. 30, 2025, Dec. 31 and Sept. 30, 2024

Unit: NTD thousand

Code	Assets	Sept. 30, 2025		Dec. 31, 2024		Sept. 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note 6)	\$ 56,871	3	\$ 70,934	3	\$ 59,256	2
1110	Financial assets at fair value through profit or loss (Note 7)	97,191	4	120,346	6	92,675	4
1120	Financial assets at fair value through other comprehensive income (Note 8)	144,235	7	187,403	9	674,596	26
1136	Financial assets measured at amortized cost - current (Notes 9, 10 & 34)	-	-	2,000	-	-	-
1150	Notes receivable (Notes 11 & 26)	184,623	9	228,696	11	242,729	9
1170	Accounts receivable (Notes 11 & 26)	346,826	16	304,688	14	322,902	12
1180	Accounts receivable - related parties (Notes 26 & 33)	5	-	-	-	2,430	-
1200	Other receivable	780	-	1,760	-	3,154	-
1220	Current income tax assets (Note 4)	5,861	-	23	-	1,044	-
130X	Inventories (Note 12)	166,945	8	166,155	8	194,720	7
1400	Biological assets - current (Note 13)	99,110	5	89,259	4	95,802	4
1470	Other current assets (Note 20)	3,260	-	5,245	-	4,948	-
11XX	Total current assets	<u>1,105,707</u>	<u>52</u>	<u>1,176,509</u>	<u>55</u>	<u>1,694,256</u>	<u>64</u>
	Non-current assets						
1535	Financial assets measured at amortized cost - non-current (Notes 9 & 10)	10,265	1	11,104	-	10,744	-
1550	Investments accounted for using equity method (Note 15)	467,231	22	419,794	20	404,363	15
1600	Property, plant and equipment (Notes 16 & 35)	410,951	19	417,362	19	420,071	16
1755	Right-of-use assets (Note 17)	28,739	1	19,844	1	12,999	1
1760	Investment property (Note 18)	24,163	1	24,336	1	24,394	1
1780	Other intangible assets (Note 19)	564	-	107	-	131	-
1830	Biological assets - non-current (Note 13)	22,536	1	17,161	1	14,934	1
1840	Deferred income tax assets (Note 4)	18,210	1	15,892	1	17,684	1
1975	Net defined benefit assets (Note 4)	26,469	1	25,989	1	19,909	1
1990	Other non-current assets (Note 20)	12,245	1	13,140	1	10,451	-
15XX	Total non-current assets	<u>1,021,373</u>	<u>48</u>	<u>964,729</u>	<u>45</u>	<u>935,680</u>	<u>36</u>
1XXX	Total assets	<u>\$ 2,127,080</u>	<u>100</u>	<u>\$ 2,141,238</u>	<u>100</u>	<u>\$ 2,629,936</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 21)	\$ 216,057	10	\$ 283,377	13	\$ 330,365	12
2130	Contract liabilities (Note 26)	3,229	-	706	-	1,143	-
2150	Notes payable	11	-	116	-	-	-
2170	Accounts payable (Note 22)	227,142	11	166,461	8	207,731	8
2180	Accounts payable - related parties (Note 33)	-	-	11,737	1	15,045	1
2200	Other payables (Note 23)	88,773	4	78,782	4	84,446	3
2220	Other payables - related parties (Note 33)	7,767	-	7,468	-	6,204	-
2230	Current income tax liabilities (Note 4)	-	-	21,351	1	15,287	1
2280	Lease liabilities - current (Notes 17 & 33)	8,454	1	5,971	-	3,794	-
2320	Long-term borrowings due within one year (Note 21)	5,673	-	-	-	-	-
2399	Other current liabilities	1,834	-	734	-	941	-
21XX	Total current liabilities	<u>558,940</u>	<u>26</u>	<u>576,703</u>	<u>27</u>	<u>664,956</u>	<u>25</u>
	Non-current liabilities						
2540	Long-term borrowings (Note 21)	29,327	2	35,000	1	35,000	1
2570	Deferred income tax liabilities (Note 4)	21,926	1	20,587	1	21,338	1
2580	Lease liabilities - non-current (Notes 17 & 33)	19,404	1	13,946	1	9,022	1
2600	Other non-current liabilities	1,469	-	1,029	-	1,029	-
25XX	Total non-current liabilities	<u>72,126</u>	<u>4</u>	<u>70,562</u>	<u>3</u>	<u>66,389</u>	<u>3</u>
2XXX	Total liabilities	<u>631,066</u>	<u>30</u>	<u>647,265</u>	<u>30</u>	<u>731,345</u>	<u>28</u>
	Equity attributable to owners of the Company (Note 25)						
	Share capital						
3110	Common stock	442,324	21	413,387	19	413,387	16
3200	Capital surplus	145,207	7	145,207	7	145,207	5
	Retained earnings						
3310	Legal reserve	161,983	8	133,938	6	133,938	5
3320	Special reserves	8,856	-	8,856	1	8,856	-
3350	Undistributed earnings	601,644	28	600,342	28	520,340	20
3300	Total retained earnings	<u>772,483</u>	<u>36</u>	<u>743,136</u>	<u>35</u>	<u>663,134</u>	<u>25</u>
3490	Other equity	92,950	4	144,492	7	628,758	24
31XX	Total owners' equity of the Company	1,452,964	68	1,446,222	68	1,850,486	70
36XX	Non-controlling interests (Notes 14 & 25)	43,050	2	47,751	2	48,105	2
3XXX	Total equity	<u>1,496,014</u>	<u>70</u>	<u>1,493,973</u>	<u>70</u>	<u>1,898,591</u>	<u>72</u>
	Total liabilities and equity	<u>\$ 2,127,080</u>	<u>100</u>	<u>\$ 2,141,238</u>	<u>100</u>	<u>\$ 2,629,936</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report of Deloitte & Touche on Nov. 10, 2025)

Chairman: Qing-De, Wu

Manager: Qing-De, Wu

Head-finance & accounting: Shao-Qi, Qiu

Morn Sun Feed Mill Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
Jul. 1 to Sept. 30, 2025 and 2024, and Jan. 1 to Sept. 30, 2025 and 2024
Unit: NTD thousand (Except for earnings per share which is in NTD)

Code		Jul. 1 to Sept. 30, 2025		Jul. 1 to Sept. 30, 2024		Jan. 1 to Sept. 30, 2025		Jan. 1 to Sept. 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Operating revenue (Notes 26 & 33)	\$ 698,170	100	\$ 700,855	100	\$ 2,045,285	100	\$ 2,132,889	100
5110	Operating costs (Notes 12, 27 & 33)	(625,417)	(89)	(621,310)	(89)	(1,801,786)	(88)	(1,888,849)	(89)
5850	Gains of initially recognized biological assets and agricultural products (Note 13)	8,197	1	3,316	1	4,763	-	10,836	1
5860	Gains from changes in the current fair value of biological assets less sales cost (Note 13)	<u>16,449</u>	<u>2</u>	<u>21,291</u>	<u>3</u>	<u>50,506</u>	<u>3</u>	<u>43,266</u>	<u>2</u>
5900	Gross profit	<u>97,399</u>	<u>14</u>	<u>104,152</u>	<u>15</u>	<u>298,768</u>	<u>15</u>	<u>298,142</u>	<u>14</u>
	Operating expenses (Notes 27 & 33)								
6100	Selling and marketing expenses	(41,253)	(6)	(41,437)	(6)	(119,846)	(6)	(118,846)	(6)
6200	Administrative expenses (Note 19)	(19,155)	(3)	(19,496)	(3)	(56,560)	(3)	(59,960)	(3)
6300	Research and development expenses	(1,684)	-	(1,664)	-	(4,984)	-	(4,028)	-
6450	Reversal gains (loss) from expected credit impairment (Note 11)	(<u>3,119</u>)	<u>-</u>	(<u>120</u>)	<u>-</u>	(<u>7,283</u>)	<u>-</u>	(<u>543</u>)	<u>-</u>
6000	Total operating expenses	(<u>65,211</u>)	(<u>9</u>)	(<u>62,477</u>)	(<u>9</u>)	(<u>188,673</u>)	(<u>9</u>)	(<u>183,377</u>)	(<u>9</u>)
6900	Net operating income	<u>32,188</u>	<u>5</u>	<u>41,675</u>	<u>6</u>	<u>110,095</u>	<u>6</u>	<u>114,765</u>	<u>5</u>
	Non-operating income and expenses (Note 27)								
7100	Interest income	929	-	846	-	2,696	-	2,446	-
7010	Other income (Note 33)	5,278	1	2,556	-	6,748	-	4,555	-
7020	Other gains and losses	(2,696)	(1)	(137)	-	13,338	1	(2,330)	-
7050	Financial costs (Note 33)	(1,647)	-	(1,825)	-	(4,835)	-	(6,713)	-
7060	Share of profit or loss on associates accounted for using equity method	<u>20,804</u>	<u>3</u>	<u>12,270</u>	<u>2</u>	<u>47,437</u>	<u>2</u>	<u>32,174</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>22,668</u>	<u>3</u>	<u>13,710</u>	<u>2</u>	<u>65,384</u>	<u>3</u>	<u>30,132</u>	<u>2</u>
7900	Net income before tax	54,856	8	55,385	8	175,479	9	144,897	7
7950	Income tax gains (expense) (Note 4 & 28)	<u>10,609</u>	<u>1</u>	(<u>9,153</u>)	(<u>1</u>)	(<u>10,282</u>)	(<u>1</u>)	(<u>30,581</u>)	(<u>2</u>)
8200	Profit	<u>65,465</u>	<u>9</u>	<u>46,232</u>	<u>7</u>	<u>165,197</u>	<u>8</u>	<u>114,316</u>	<u>5</u>
	Other comprehensive income								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized appraisal gains or losses on investments in equity instruments measured at fair value through other comprehensive income (Note 25)	(<u>13,787</u>)	(<u>2</u>)	<u>199,315</u>	<u>28</u>	(<u>51,542</u>)	(<u>2</u>)	<u>456,078</u>	<u>22</u>
8300	Other comprehensive income in the current period (net amount after tax)	(<u>13,787</u>)	(<u>2</u>)	<u>199,315</u>	<u>28</u>	(<u>51,542</u>)	(<u>2</u>)	<u>456,078</u>	<u>22</u>
8500	Total comprehensive income in current period	<u>\$ 51,678</u>	<u>7</u>	<u>\$ 245,547</u>	<u>35</u>	<u>\$ 113,655</u>	<u>6</u>	<u>\$ 570,394</u>	<u>27</u>
	Net income attributable to:								
8610	Owners of the Company	\$ 66,668	9	\$ 47,750	7	\$ 169,898	8	\$ 127,102	6
8620	Non-controlling interests	(<u>1,203</u>)	<u>-</u>	(<u>1,518</u>)	<u>-</u>	(<u>4,701</u>)	<u>-</u>	(<u>12,786</u>)	(<u>1</u>)
8600		<u>\$ 65,465</u>	<u>9</u>	<u>\$ 46,232</u>	<u>7</u>	<u>\$ 165,197</u>	<u>8</u>	<u>\$ 114,316</u>	<u>5</u>
	Total comprehensive income attributable to:								
8710	Owners of the Company	\$ 52,881	7	\$ 247,065	35	\$ 118,356	6	\$ 583,180	27
8720	Non-controlling interests	(<u>1,203</u>)	<u>-</u>	(<u>1,518</u>)	<u>-</u>	(<u>4,701</u>)	<u>-</u>	(<u>12,786</u>)	<u>-</u>
8700		<u>\$ 51,678</u>	<u>7</u>	<u>\$ 245,547</u>	<u>35</u>	<u>\$ 113,655</u>	<u>6</u>	<u>\$ 570,394</u>	<u>27</u>
	Earnings per share (Note 29)								
9710	Basic	<u>\$ 1.51</u>		<u>\$ 1.08</u>		<u>\$ 3.84</u>		<u>\$ 2.87</u>	
9810	Diluted	<u>\$ 1.50</u>		<u>\$ 1.08</u>		<u>\$ 3.83</u>		<u>\$ 2.87</u>	

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

(Please refer to the review report of Deloitte & Touche on Nov. 10, 2025)

Chairman: Qing-De, Wu

Manager: Qing-De, Wu

Head-finance & accounting: Shao-Qi, Qiu

Morn Sun Feed Mill Corp. and its Subsidiaries
Income Consolidated Statements of Changes in Equity
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand

		Equity attributable to owners of the Company					Other equity			
Code		Share capital	Capital surplus	Retained earnings			Unrealized appraisal gains or losses from financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
		Common stock		Legal reserve	Special reserves	Undistributed earnings				
A1	Balance at Jan. 1, 2024	\$ 393,702	\$ 145,207	\$ 117,594	\$ 8,856	\$ 442,532	\$ 246,029	\$ 1,353,920	\$ 60,891	\$ 1,414,811
	Earnings appropriation and allocation for 2023 (Note 25)									
B1	Legal reserve	-	-	16,344	-	(16,344)	-	-	-	-
B5	Cash dividends	-	-	-	-	(86,614)	-	(86,614)	-	(86,614)
B9	Stock dividends	19,685	-	-	-	(19,685)	-	-	-	-
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income (Notes 8 & 25)	-	-	-	-	73,349	(73,349)	-	-	-
D1	Net profit (loss) from Jan. 1 to Sept. 30, 2024	-	-	-	-	127,102	-	127,102	(12,786)	114,316
D3	Other comprehensive income from Jan. 1 to Sept. 30, 2024 (Note 25)	-	-	-	-	-	456,078	456,078	-	456,078
D5	Total comprehensive income from Jan. 1 to Sept. 30, 2024	-	-	-	-	127,102	456,078	583,180	(12,786)	570,394
Z1	Balance at Sept. 30, 2024	<u>\$ 413,387</u>	<u>\$ 145,207</u>	<u>\$ 133,938</u>	<u>\$ 8,856</u>	<u>\$ 520,340</u>	<u>\$ 628,758</u>	<u>\$ 1,850,486</u>	<u>\$ 48,105</u>	<u>\$ 1,898,591</u>
A1	Balance at Jan. 1, 2025	\$ 413,387	\$ 145,207	\$ 133,938	\$ 8,856	\$ 600,342	\$ 144,492	\$ 1,446,222	\$ 47,751	\$ 1,493,973
	Earnings appropriation and allocation for 2024 (Note 25)									
B1	Legal reserve	-	-	28,045	-	(28,045)	-	-	-	-
B5	Cash dividends	-	-	-	-	(111,614)	-	(111,614)	-	(111,614)
B9	Stock dividends	28,937	-	-	-	(28,937)	-	-	-	-
D1	Net profit (loss) from Jan. 1 to Sept. 30, 2025	-	-	-	-	169,898	-	169,898	(4,701)	165,197
D3	Other comprehensive income from Jan. 1 to Sept. 30, 2025 (Note 25)	-	-	-	-	-	(51,542)	(51,542)	-	(51,542)
D5	Total comprehensive income from Jan. 1 to Sept. 30, 2025	-	-	-	-	169,898	(51,542)	118,356	(4,701)	113,655
Z1	Balance at Sept. 30, 2025	<u>\$ 442,324</u>	<u>\$ 145,207</u>	<u>\$ 161,983</u>	<u>\$ 8,856</u>	<u>\$ 601,644</u>	<u>\$ 92,950</u>	<u>\$ 1,452,964</u>	<u>\$ 43,050</u>	<u>\$ 1,496,014</u>

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

(Please refer to the review report of Deloitte & Touche on Nov. 10, 2025)

Chairman: Qing-De, Wu

Manager: Qing-De, Wu

Head-finance & accounting: Shao-Qi, Qiu

Morn Sun Feed Mill Corp. and its Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended Sept. 30, 2025 and 2024

Unit: NTD thousand

Code		Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
	Cash flows from operating activities		
A10000	Net income before tax	\$ 175,479	\$ 144,897
A20010	Adjustments for		
A20100	Depreciation expenses	38,395	32,676
A20200	Amortization expenses	143	76
A20300	Expected credit impairment loss	7,283	543
A20400	(Gains) losses on financial assets at fair value through profit or loss	(12,522)	202
A20900	Financial costs	4,835	6,713
A21200	Interest income	(2,696)	(2,446)
A21300	Dividend income	(2,572)	(903)
A22300	Share of gains on associates accounted for using equity method	(47,437)	(32,174)
A22500	Losses (gains) on disposal of property, plant and equipment	389	(29)
A23700	Losses on market price decline and obsolete and slow-moving of inventories	789	1,696
A24100	Unrealized foreign currency exchange losses (gains)	818	(685)
A29900	Gains from lease modification	-	(2)
A29900	Gains from disposal of productive biological assets	(1,596)	(1,112)
A29900	Gains of initially recognized biological assets and agricultural products	(4,763)	(10,836)
A29900	Gains from changes in fair value of biological assets less sales cost	(50,506)	(43,266)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	44,073	(31,586)
A31150	Accounts receivable	(49,421)	6,137
A31160	Accounts receivable - related parties	(5)	(2,430)
A31180	Other receivable	530	(2,604)
A31200	Inventories	7,975	32,161
A31210	Biological assets	24,340	15,182
A31240	Other current assets	1,985	(1,610)
A31990	Net defined benefit assets	(480)	(344)
A32125	Contract liabilities	2,523	389
A32130	Notes payable	(105)	(6)
A32150	Accounts payable	60,681	(9,823)
A32160	Accounts payable - related parties	(11,737)	71
A32180	Other payables	8,133	5,379
A32190	Other payables - related parties	299	3,548

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Code		Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
A32230	Other current liabilities	\$ 1,100	\$ 226
A32990	Other non-current liabilities	<u>440</u>	<u>826</u>
A33000	Cash generated from operations	196,370	110,866
A33100	Interest received	2,776	2,616
A33200	Dividends received	2,572	903
A33200	Dividends received from associates	-	27,281
A33300	Interest paid	(4,829)	(6,716)
A33500	Income tax paid	(<u>38,450</u>)	(<u>44,309</u>)
AAAA	Net cash generated from operating activities	<u>158,439</u>	<u>90,641</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(7,211)	-
B00020	Disposal of financial assets at fair value through other comprehensive income	-	78,414
B00050	Disposal of financial assets measured at amortized cost	2,000	-
B00100	Acquisition of financial assets at fair value through profit or loss	(94,536)	(85,013)
B00200	Disposal of financial assets at fair value through profit or loss	131,605	43,203
B02700	Purchase of property, plant and equipment	(18,016)	(16,879)
B02800	Disposal of property, plant and equipment	176	29
B03800	Decrease in refundable deposits	154	829
B04500	Purchase of intangible assets	(600)	-
B07100	Increase in prepayment for equipment	(<u>2</u>)	(<u>7,307</u>)
BBBB	Net cash inflow (outflow) from investing activities	<u>13,570</u>	<u>13,276</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(67,379)	(44,275)
C00500	Decrease in short-term bills payable	-	(20,000)
C01600	New long-term borrowings	-	35,000
C04020	Repayment of lease principal	(7,079)	(3,965)
C04500	Issue of cash dividends	(<u>111,614</u>)	(<u>86,614</u>)
CCCC	Net cash outflow from financing activities	(<u>186,072</u>)	(<u>119,854</u>)
EEEE	Net decrease in cash	(14,063)	(15,937)
E00100	Balance of cash at beginning of period	<u>70,934</u>	<u>75,193</u>
E00200	Balance of cash at the end of period	<u>\$ 56,871</u>	<u>\$ 59,256</u>

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

(Please refer to the review report of Deloitte & Touche on Nov. 10, 2025)

Chairman:	Manager:	Head-finance & accounting:
Qing-De, Wu	Qing-De, Wu	Shao-Qi, Qiu

Morn Sun Feed Mill Corp. and its Subsidiaries
Notes to Consolidated Financial Statements
For the nine months ended Sept. 30, 2025 and 2024
(Unless stated otherwise, the unit is NTD thousand)

1. Organization and Operations

- (1) Established in Feb. 18, 1967, Morn Sun Feed Mill Corp. (former name: Morn Sun Feed Ltd.) (hereinafter referred to as “the Company”) was changed to its current name in December 2016. The main businesses of the Company are manufacturing, processing, trading and transportation of various feeds and its raw materials, trading of rice shells, flour, soybeans, barley and wheat and assorted grains, and feeding of domestic livestock and poultry, etc.
- (2) Since Aug. 8, 2018, the Company’s stock has been listed on Taipei Exchange for trading.
- (3) In order to expand egg selection, washing, packaging, sales and other businesses for feeding of domestic livestock and poultry, and services of agricultural products and animal husbandry, the Company invested to establish the subsidiary Morn Sun Foods Corp. in August 2019.
- (4) The consolidated financial statements are presented in New Taiwan dollars, the Company’s functional currency.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were approved by the board of directors on Nov. 10, 2025.

3. Application of Newly Issued and Amended Standards and Interpretations

- (1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC will not have a material impact on the accounting policies of the Company and the entities controlled by the Company (collectively, the “Group”).

(2) IFRS Accounting Standards endorsed by FSC that are applicable from 2026 onwards

New/ revised/ amended standards and interpretations	Effective date issued by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	Jan. 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	Jan. 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	Jan. 1, 2026
IFRS 17 “Insurance Contracts” (Including the 2020 and 2021 Amendments)	Jan. 1, 2023

As of the date the consolidated financial statements were authorized, the Group is continuously assessing the possible impact of various amendments on its financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New/ revised/ amended standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	Jan. 1, 2027 (Note 2)
IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures” (Including the 2025 Amendments)	Jan. 1, 2027

Note 1: Unless otherwise specified, the above-mentioned new/ revised/ amended standards or interpretations will take effect during the annual reporting period beginning on or after each date.

Note 2: On Sept. 25, 2025, the FSC announced that IFRS 18 will be mandatory for Taiwanese companies starting Jan. 1, 2028, with an option for early adoption once the FSC has approved the standard.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. The main changes in this standard include:

- The statement of profit or loss should classify income and expenses in the operating, investing, financing, income taxes, and discontinued operations categories.

- An entity has to present totals and subtotals in the statement of profit or loss for operating profit or loss, pre-tax profit or loss before financing, and profit or loss.
- Requirements for provision of guidance to enhance aggregation and disaggregation: The Group should identify assets, liabilities, equity, income, expenses, losses, and cash flows in each transaction or other events, and classify and aggregate them based on shared characteristics so that the main line items presented in the financial statements share at least one similar characteristic. Items should be disaggregated based on non-similar characteristics. The Group should label such items as "other" only if it cannot find a more informative title.
- Increasing the disclosure of management-defined performance measures (MPMs): When the Group engages in public communications outside financial statements and communicate to management's view of an aspect of the financial performance of the entity as a whole, the Group should disclose information about its MPMs in a single note to the financial statements, including a description of how the MPM is measured, how the MPM is calculated, and a reconciliation between the MPM and the total or subtotal required by IFRS Accounting Standards, including the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation.

In addition to the above impacts, as of the date the consolidated financial statements were authorized, the Group is continuously assessing the other impacts that the application of the standards and interpretations will have on the Group's financial position and financial performance and other will disclose the relevant impacts when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

This consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and issued by the FSC. This consolidated financial statement does not contain all the IFRSs Accounting Standards disclosures required by the annual report.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments measured at fair value, the biological assets

measured at fair value less sales cost and net defined benefit assets recognized at present value of defined benefit obligations less fair value of plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

- A. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
- B. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
- C. Level 3 inputs: Unobservable inputs for assets or liabilities.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities (subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Group's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 14 and Tables 4 for the detailed information on subsidiaries (including the percentage of ownership and main business).

(4) Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2024 consolidated financial statement.

A. Defined benefit post-employment benefits

The pension cost during the interim period is calculated based on the determined pension cost rate on the reporting date of the previous year, from the beginning of the year to the end of the current period where adjustments are made for significant market fluctuations in the current period, as well as significant plan amendments, liquidations or other significant one-off events.

B. Income tax expenses

The income tax expense represents the sum of the current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on the interim pre-tax profit at the tax rate applicable to the expected total annual earnings.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

Please refer to the Critical Accounting Judgments and Key Sources of Estimation and Uncertainty in the 2024 consolidated financial statement.

6. Cash

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Cash on hand and petty cash	\$ 465	\$ 465	\$ 465
Checking accounts and demand deposits	<u>56,406</u>	<u>70,469</u>	<u>58,791</u>
	<u>\$ 56,871</u>	<u>\$ 70,934</u>	<u>\$ 59,256</u>

The range of market interest rates on bank deposits at the balance sheet date is as follows:

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Cash in banks	0.005%~0.800%	0.005%~1.150%	0.005%~1.150%

7. Financial Instruments at FVTPL

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Financial assets - current</u>			
Mandatorily at FVTPL			
Non-derivative financial assets			
- Domestic listed (OTC) stocks	\$ 35,245	\$ 50,365	\$ 32,298
- Foreign bonds	29,286	30,277	30,603
- Fund beneficiary certificate	9,270	14,777	4,840
Mixed financial assets			
- Structured commodity (Note)	<u>23,390</u>	<u>24,927</u>	<u>24,934</u>
	<u>\$ 97,191</u>	<u>\$ 120,346</u>	<u>\$ 92,675</u>

Note: Structured investment contracts signed between the Group and banks. The structured investment contracts include an embedded derivative that is not closely associated with the host contract. As the contract included in the hybrid contract is an asset

within the scope of IFRS 9, it should be mandatorily classified as measured at fair value through profit and loss based on the assessment of the overall hybrid contract.

8. Financial assets at FVTOCI

Investment in equity instruments

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Current</u>			
Domestic investment			
Listed stocks			
Common shares of Formosa			
Oilseed Processing Co.,			
Ltd. (FOPCO)	<u>\$ 144,235</u>	<u>\$ 187,403</u>	<u>\$ 674,596</u>

The Group expects to receive dividends by holding common shares of FOPCO and considers that it would be inconsistent with the aforementioned investment plan to include short-term fair value fluctuations in these investments in profit or loss, therefore it elects to designate these investments as measured at fair value through other comprehensive income.

The Group adjusted its investment positions during the nine months ended Sept. 30, 2024 to diversify risks and sold part of the ordinary shares in Formosa Oilseed Processing Co., Ltd. at a fair value of NT\$78,414 thousand, and related “Other equity - unrealized appraisal gains or losses from financial assets at fair value through other comprehensive income of NT\$73,349 thousand” were reclassified as retained earnings.

9. Financial assets measured at amortized cost

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Current</u>			
Restricted assets	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>
<u>Non-current</u>			
Foreign investment			
Bonds	\$ 10,265	\$ 11,104	\$ 10,744
Less: Allowance for losses	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,265</u>	<u>\$ 11,104</u>	<u>\$ 10,744</u>

Restricted assets refer to bank demand deposits that provide bank loan guarantees, with a market interest rate range of 0.705% as of Dec. 31, 2024.

The Group purchased 5-year foreign bonds of Mercedes-Benz Finance North America LLC in February 2023, with nominal interest rate of 5.25%, and effective interest rate of 4.21%.

For information on credit risk management and impairment assessment of financial assets measured at amortized cost, please refer to Note 10.

Please refer to Note 34 for information on pledge of financial assets measured at amortized cost.

10. Credit Risk Management of Debt Instrument Investment

Debt instruments invested by the Group are financial assets measured at amortized cost:

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
At amortized cost			
Total carrying amount	\$ 10,265	\$ 13,104	\$ 10,744
Less: Allowance for losses	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 10,265</u>	<u>\$ 13,104</u>	<u>\$ 10,744</u>

The Group only invests in debt instruments that have credit ratings above the investment grade (included) and are considered to be low credit risk by impairment assessment, and the credit rating information shall be provided by independent rating agencies. The Group continuously tracks external rating information to monitor changes in the credit risk of the debt instruments in which it invests, and reviews other information, such as bond yield curves and material information about the debtor, so as to assess whether the credit risk of the debt instrument investments has increased significantly since the original recognition.

The Group measured the 12-month ECL or lifetime ECL of the investments in debt instruments based on the historical default probabilities and default loss rates for each grade, the current financial position of the debtor and the prospects of its industry as provided by external rating agencies.

The current credit risk rating mechanism of the Group is as follows:

<u>Credit rating</u>	<u>Definition</u>	<u>Recognition basis for ECLs</u>
Normal	The debtor is of low credit risk, and has sufficient capacity to repay the contract cash flow	12-month ECLs
Abnormal	The credit risk has increased significantly since the original recognition	Expected credit loss during lifetime for losses (no credit impairment)
Breach of contract	With credit impairment evidence	Expected credit loss during lifetime for losses (with credit impairment)
Write-off	There is evidence that the debtor is confronted with serious financial difficulties and that the Group could not make reasonable expectation of recovery	Direct write-off

The total carrying amount and applicable expected credit loss rate of the investments in debt instruments of each credit rating are as follows:

Sept. 30, 2025

Credit rating	ECLs	Total carrying amount At amortized cost
Normal	0.00%	\$ 10,265
Abnormal	-	-
Breach of contract	-	-
Write-off	-	-

Dec. 31, 2024

Credit rating	ECLs	Total carrying amount At amortized cost
Normal	0.00%	\$ 13,104
Abnormal	-	-
Breach of contract	-	-
Write-off	-	-

Sept. 30, 2024

Credit rating	ECLs	Total carrying amount At amortized cost
Normal	0.00%	\$ 10,744
Abnormal	-	-
Breach of contract	-	-
Write-off	-	-

11. Notes Receivable and Accounts Receivable

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Total carrying amount	\$ 184,623	\$ 228,696	\$ 242,729
Less: Allowance for losses	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 184,623</u>	<u>\$ 228,696</u>	<u>\$ 242,729</u>
<u>Accounts receivable</u>			
At amortized cost			
Total carrying amount	\$ 361,869	\$ 312,399	\$ 330,098
Less: Allowance for losses	(<u>15,043</u>)	(<u>7,711</u>)	(<u>7,196</u>)
	<u>\$ 346,826</u>	<u>\$ 304,688</u>	<u>\$ 322,902</u>

(1) Notes receivable

The Group recognizes the loss allowance for notes receivable based on the lifetime ECLs. The lifetime ECLs take into account the customer's past default history, and it does not need to make provision for expected credit loss upon assessment.

As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the Group does not hold any collateral for the notes receivable.

Aging analysis of notes receivable is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
1-60 days	\$ 152,682	\$ 156,247	\$ 164,715
61-120 days	27,626	20,816	29,623
Over 121 days	<u>4,315</u>	<u>51,633</u>	<u>48,391</u>
Total	<u>\$ 184,623</u>	<u>\$ 228,696</u>	<u>\$ 242,729</u>

The above aging analysis is based on the accounting date.

(2) Accounts receivable

The credit period of the Group for accounts receivable ranges from 7 days to 70 days (batch settlement), and in determining the collectibility of the accounts receivable, the Group takes into account any changes in the credit quality of the accounts receivable from the original credit date to the balance sheet date.

To mitigate credit risk, the management of the Group has appointed a dedicated team to be responsible for the determination of credit lines, credit approval and other monitoring procedures, so as to ensure that appropriate action has been taken to collect overdue receivables. In addition, the Group will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Group's management believes that its credit risk has been significantly reduced.

The Group recognizes the loss allowance for accounts receivable based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix based on the consideration for historical experience, current market situation and prospective information. The matrix prepared by the Group aims to first identify individual customers to see whether there is objective evidence showing that individual accounts receivable have been impaired. If there is objective evidence showing that individual accounts receivable have been impaired, the amount of impairment should be assessed individually. Regarding other customers, as the Group's historical experience in credit loss shows that there is no significant difference in the loss patterns among different

customer groups, the customer groups are not further differentiated in the provision matrix, and only the ECLs are set based on the overdue days of the accounts receivable.

If there is evidence that a counter-party is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, the Group will directly write off the relevant accounts receivable, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The loss allowance for accounts receivable measured by the Group based on the provision matrix is as follows:

Sept. 30, 2025

	Not past due	1-60 days past due	61-120 days past due	121-180 days past due	181-365 days past due	More than 366 days past due	Individual identification	Total
ECLs	0.04%~0.11%	1.13%~26.29%	34.46%~45.11%	38.14%~50.15%	34.02%~55.82%	100%	100%	
Total carrying amount	\$ 328,276	\$ 7,713	\$ 6,878	\$ 12,247	\$ 245	\$ 3,662	\$ 2,848	\$ 361,869
Allowance for losses (lifetime ECLs)	(224)	(1,035)	(2,466)	(4,704)	(104)	(3,662)	(2,848)	(15,043)
Amortized cost	<u>\$ 328,052</u>	<u>\$ 6,678</u>	<u>\$ 4,412</u>	<u>\$ 7,543</u>	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,826</u>

Dec. 31, 2024

	Not past due	1-60 days past due	61-120 days past due	121-180 days past due	181-365 days past due	More than 366 days past due	Individual identification	Total
ECLs	0.02%~0.09%	3.66%~17.14%	16.30%~46.23%	21.52%~43.34%	23.71%~38.87%	100%	100%	
Total carrying amount	\$ 291,042	\$ 11,614	\$ 1,198	\$ 289	\$ 2,068	\$ 3,247	\$ 2,941	\$ 312,399
Allowance for losses (lifetime ECLs)	(143)	(496)	(219)	(107)	(558)	(3,247)	(2,941)	(7,711)
Amortized cost	<u>\$ 290,899</u>	<u>\$ 11,118</u>	<u>\$ 979</u>	<u>\$ 182</u>	<u>\$ 1,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,688</u>

Sept. 30, 2024

	Not past due	1-60 days past due	61-120 days past due	121-180 days past due	181-365 days past due	More than 366 days past due	Individual identification	Total
ECLs	0.02%~0.09%	0.67%~13.00%	7.19%~43.94%	16.94%~41.19%	17.36%~36.96%	100%	100%	
Total carrying amount	\$ 313,920	\$ 5,797	\$ 1,335	\$ 1,581	\$ 1,619	\$ 2,876	\$ 2,970	\$ 330,098
Allowance for losses (lifetime ECLs)	(146)	(315)	(199)	(304)	(386)	(2,876)	(2,970)	(7,196)
Amortized cost	<u>\$ 313,774</u>	<u>\$ 5,482</u>	<u>\$ 1,136</u>	<u>\$ 1,277</u>	<u>\$ 1,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,902</u>

The information on changes in the loss allowance for accounts receivable is as follows:

	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Opening balance	\$ 7,711	\$ 6,082
Add: Impairment loss recognized	7,283	543
Add: Recovery of impairment losses written off	49	571
Closing balance	<u>\$ 15,043</u>	<u>\$ 7,196</u>

12. Inventories

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Raw materials	\$ 55,846	\$ 71,170	\$ 73,305
Material	1,602	1,243	940
Work in progress	1,636	2,189	1,951
Finished goods	17,829	19,694	11,347
Inventories in transit	<u>90,032</u>	<u>71,859</u>	<u>107,177</u>
	<u>\$ 166,945</u>	<u>\$ 166,155</u>	<u>\$ 194,720</u>

Nature of sales cost is as follows:

	<u>Jul. 1 to Sept. 30, 2025</u>	<u>Jul. 1 to Sept. 30, 2024</u>	<u>Jan. 1 to Sept. 30, 2025</u>	<u>Jan. 1 to Sept. 30, 2024</u>
Sold inventory cost	\$ 532,046	\$ 526,939	\$ 1,527,463	\$ 1,627,157
Losses on market price decline and obsolete and slow-moving of inventories	-	653	789	1,696
Sold biological assets	91,975	92,577	269,832	256,205
Others	<u>1,396</u>	<u>1,141</u>	<u>3,702</u>	<u>3,791</u>
	<u>\$ 625,417</u>	<u>\$ 621,310</u>	<u>\$ 1,801,786</u>	<u>\$ 1,888,849</u>

13. Biological assets

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Biological assets - current (pork pigs and meat poultry)	\$ 99,110	\$ 89,259	\$ 95,802
Biological assets - Non-current (breeding pigs and laying hens)	<u>22,536</u>	<u>17,161</u>	<u>14,934</u>
	<u>\$ 121,646</u>	<u>\$ 106,420</u>	<u>\$ 110,736</u>

	<u>Pork pigs</u>	<u>Meat poultry</u>	<u>Breeding pigs</u>	<u>Laying hens</u>	<u>Total</u>
Balance at Jan. 1, 2025	\$ 61,126	\$ 28,133	\$ 17,161	\$ -	\$ 106,420
Additions	-	20,833	-	7,582	28,415
Investment cost and expenses	131,542	91,038	-	2,282	224,862
Sales	(141,426)	(128,406)	(3,001)	-	(272,833)
Losses on originally recognized biological assets	(4,791)	-	-	-	(4,791)
Gains from changes in fair value of less sales cost	35,438	15,068	-	-	50,506
Depreciation for the current period	-	-	(5,278)	(2,467)	(7,745)
Transfer	(6,462)	-	6,462	-	-
Scrapping	-	(2,983)	-	(205)	(3,188)
Balance at Sept. 30, 2025	<u>\$ 75,427</u>	<u>\$ 23,683</u>	<u>\$ 15,344</u>	<u>\$ 7,192</u>	<u>\$ 121,646</u>
Balance at Jan. 1, 2024	\$ 54,151	\$ 22,462	\$ 11,835	\$ 2,079	\$ 90,527
Additions	-	22,032	-	-	22,032
Investment cost and expenses	122,654	104,156	-	-	226,810
Sales	(126,914)	(129,291)	(1,993)	-	(258,198)
Losses on originally recognized biological assets	(3,044)	-	-	-	(3,044)

	<u>Pork pigs</u>	<u>Meat poultry</u>	<u>Breeding pigs</u>	<u>Laying hens</u>	<u>Total</u>
Gains from changes in fair value of less sales cost	33,337	9,929	-	-	43,266
Depreciation for the current period	-	-	(4,262)	(1,681)	(5,943)
Transfer	(8,986)	-	8,986	-	-
Scrapping	-	(4,684)	-	(30)	(4,714)
Balance at Sept. 30, 2024	<u>\$ 71,198</u>	<u>\$ 24,604</u>	<u>\$ 14,566</u>	<u>\$ 368</u>	<u>\$ 110,736</u>

The biological assets of the Group include pork pigs, breeding pigs, meat poultry and laying hens raised in Changhua, Yunlin, Nantou, Chiayi and Pingtung, etc. The number of pork pigs, breeding pigs, poultry and laying hens owned by the Group is as follows:

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Pork pigs	14,058 pigs	12,295 pigs	12,634 pigs
Breeding pigs	1,466 pigs	1,523 pigs	1,471 pigs
Meat poultry	232,843 meat poultry	275,038 meat poultry	282,846 meat poultry
Laying hens	36,293 laying hens	24,549 laying hens	24,717 laying hens

The sales volume of pork pigs, breeding pigs and meat poultry for the nine months ended Sept. 30, 2025 and 2024 are as follows:

	<u>Jan. 1 to Sept. 30, 2025</u>	<u>Jan. 1 to Sept. 30, 2024</u>
Sales volume of pork pigs	11,449 pigs	11,945 pigs
Sales volume of breeding pigs	368 pigs	264 pigs
Sales volume of meat poultry	598,081 meat poultry	617,696 meat poultry

The fair value of the pigs evaluated by the Group by fair value method is determined by the average selling price of for transaction of live pigs all over Taiwan as announced by the Livestock Market Information Network of the Ministry of Agriculture, Executive Yuan. The average raising period of the pigs is about 7-9 months, therefore, no discount rate is involved in the calculation of fair value. As the production cycle of meat poultry is short, it is difficult to obtain the market price directly during the breeding period; it is also difficult to obtain market prices for breeding pigs and laying hens used in production; and the value of discounted cash flow estimation of the above biological assets is less reliable due to external factors such as climate and diseases, it is measured by cost method. The cost of productive biological assets is depreciated by the straight-line method according to the productive period, and the durability of breeding pigs and laying hens is about 36-43 months and 16 months, respectively.

The financial risks associated with the biological assets of the Group are primarily due to changes in the prices of pork pigs and meat poultry, and the Group does not expect a material decline in the prices of pork pigs and meat poultry in the foreseeable future, and has

therefore not signed derivative contracts. The Group regularly reviews the price expectations for pork pigs and meat poultry, to consider the necessity for taking proactive financial risk management measures.

The nature of total benefit from changes in the fair value of the originally recognized biological assets and agricultural products and biological assets less sales cost was as follows:

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Gains (losses) on originally recognized biological assets	(\$ 608)	\$ 487	(\$ 4,791)	(\$ 3,044)
Gains of initially recognized agricultural products	8,805	2,829	9,554	13,880
Gains from changes in fair value of less sales cost	<u>16,449</u>	<u>21,291</u>	<u>50,506</u>	<u>43,266</u>
	<u>\$ 24,646</u>	<u>\$ 24,607</u>	<u>\$ 55,269</u>	<u>\$ 54,102</u>

14. Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The main entities in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Nature of business	Shareholding percentage			Description
			Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	
The Company	Morn Sun Foods Corporation	Selection, washing, packaging and sales of eggs for feeding of domestic livestock and poultry, and services of agricultural products and animal husbandry	58.04%	58.04%	58.04%	Note

Note: Morn Sun Foods Corporation's Board of Directors passed a resolution on Aug. 7, 2025, to carry out a capital reduction to compensate losses, setting Sept. 30, 2025, as the capital reduction base date, with the reduction amount being NT\$156,060 thousand and the paid-in capital after reduction being NT\$113,940 thousand. There was no change in the Company's equity interest in the subsidiary.

(2) Information on subsidiaries with significant non-controlling interests

Name of subsidiary	Percentage of equity and voting rights held by non-controlling interests		
	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Morn Sun Foods Corporation	41.96%	41.96%	41.96%

Please refer to Table 4 “Information on the investees, location and so on” for the information on the business nature, main place of business and country of registration of the above subsidiaries.

Name of subsidiary	Comprehensive income allocated to non-controlling interests			
	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Morn Sun Foods Corporation	(\$ 1,203)	(\$ 1,518)	(\$ 4,701)	(\$ 12,786)

Name of subsidiary	Non-controlling interests		
	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Morn Sun Foods Corporation	\$ 43,050	\$ 47,751	\$ 48,105

The aggregate financial information of the subsidiary below is compiled based on the amount before the elimination of inter-company transactions:

Morn Sun Foods Corporation

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Current assets	\$ 218,848	\$ 180,852	\$ 192,395
Non-current assets	202,644	200,738	193,015
Current liabilities	(280,417)	(225,212)	(233,462)
Non-current liabilities	(38,478)	(42,578)	(37,305)
Equity	\$ 102,597	\$ 113,800	\$ 114,643
Equity attributable to:			
Owners of the Company	\$ 59,547	\$ 66,049	\$ 66,538
Non-controlling interests of Morn Sun Foods Corp.	43,050	47,751	48,105
	\$ 102,597	\$ 113,800	\$ 114,643

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Operating revenue	\$ 280,485	\$ 237,279	\$ 728,280	\$ 676,761
Current net loss	(\$ 2,867)	(\$ 3,618)	(\$ 11,203)	(\$ 30,472)
Other comprehensive income	-	-	-	-
Total comprehensive income	(\$ 2,867)	(\$ 3,618)	(\$ 11,203)	(\$ 30,472)
Net loss attributed to:				
Owners of the Company	(\$ 1,664)	(\$ 2,100)	(\$ 6,502)	(\$ 17,686)
Non-controlling interests of Morn Sun Foods Corp.	(1,203)	(1,518)	(4,701)	(12,786)
	(\$ 2,867)	(\$ 3,618)	(\$ 11,203)	(\$ 30,472)

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Total comprehensive income attributable to:				
Owners of the Company	(\$ 1,664)	(\$ 2,100)	(\$ 6,502)	(\$ 17,686)
Non-controlling interests of Morn Sun Foods Corp.	(<u>1,203</u>)	(<u>1,518</u>)	(<u>4,701</u>)	(<u>12,786</u>)
	(<u>\$ 2,867</u>)	(<u>\$ 3,618</u>)	(<u>\$ 11,203</u>)	(<u>\$ 30,472</u>)
Cash flows				
Operating activities	(\$ 13,611)	\$ 1,432	(\$ 8,908)	(\$ 54,148)
Investing activities	(565)	8	(9,967)	(3,602)
Financing activities	<u>16,330</u>	<u>9,242</u>	<u>3,612</u>	<u>68,011</u>
Net cash inflow (outflow)	<u>\$ 2,154</u>	<u>\$ 10,682</u>	(<u>\$ 15,263</u>)	<u>\$ 10,261</u>

15. Investments Accounted for Using Equity Method

Investments in associates

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
<u>Associates that are significant</u>			
Unlisted (non-OTC) company			
Top Food Industry Corporation	<u>\$ 467,231</u>	<u>\$ 419,794</u>	<u>\$ 404,363</u>

Associates that are significant are as follows:

	Percentage of equity and voting rights held		
Company name	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Top Food Industry Corporation	36.84%	36.84%	36.84%

Please refer to Table 4 “Information on the investees, location and so on” for the information on the business nature, main place of business and country of registration of the above associates.

As of Sept. 30, 2025, investments accounted for using the equity method totaled NT\$467,231 thousand. In addition, the share of profit or loss of associates recognized using the equity method from Jul. 1 to Sept. 30, 2025 and from Jan. 1 to Sept. 30, 2025, was NT\$20,804 thousand and NT\$47,437 thousand, respectively, both recognized based on the investees' unreviewed financial statements for the same period.

For the period from Jan. 1 to Sept. 30, 2024, the invested and Group's share of profit or loss and other comprehensive income by equity method was recognized based on the associates' financial statements that have been reviewed by CPAs for the same period.

The following summary financial information has been prepared on the basis of the IFRS Accounting Standards financial statements of the associates, and has reflected the adjustments made when using the equity method.

Top Food Industry Corporation

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Current assets	\$ 1,894,950	\$ 1,933,208	\$ 1,519,132
Non-current assets	1,032,750	1,096,693	1,142,095
Current liabilities	(1,083,257)	(1,310,696)	(1,116,418)
Non-current liabilities	(576,245)	(579,766)	(447,252)
Equity	<u>\$ 1,268,198</u>	<u>\$ 1,139,439</u>	<u>\$ 1,097,557</u>
Shareholding ratio of the Group	36.84%	36.84%	36.84%
Equity enjoyed by the Group	<u>\$ 467,231</u>	<u>\$ 419,794</u>	<u>\$ 404,363</u>

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Operating revenue	<u>\$ 862,325</u>	<u>\$ 878,805</u>	<u>\$2,512,722</u>	<u>\$2,617,399</u>
Profit	\$ 56,467	\$ 33,327	\$ 128,758	\$ 87,331
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ 56,467</u>	<u>\$ 33,327</u>	<u>\$ 128,758</u>	<u>\$ 87,331</u>
Dividends received	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,281</u>

16. Property, Plant and Equipment

	Land	Buildings and structures	Leasehold improvements	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Property under construction	Total
Costs									
Balance at Jan. 1, 2025	\$ 110,010	\$ 321,953	\$ 1,390	\$ 137,011	\$ 41,129	\$ 3,655	\$ 63,264	\$ -	\$ 678,412
Additions	-	1,641	-	7,167	5,712	1,537	1,451	255	17,763
Disposal	-	-	-	-	(2,317)	-	(903)	-	(3,220)
Reclassification (Note)	-	-	-	643	100	-	-	-	743
Balance at Sept. 30, 2025	<u>\$ 110,010</u>	<u>\$ 323,594</u>	<u>\$ 1,390</u>	<u>\$ 144,821</u>	<u>\$ 44,624</u>	<u>\$ 5,192</u>	<u>\$ 63,812</u>	<u>\$ 255</u>	<u>\$ 693,698</u>
Accumulated depreciation									
Balance at Jan. 1, 2025	\$ -	\$ 145,820	\$ 807	\$ 51,885	\$ 30,436	\$ 3,097	\$ 29,005	\$ -	\$ 261,050
Depreciation expenses	-	5,035	169	8,832	4,222	352	5,742	-	24,352
Disposal	-	-	-	-	(2,279)	-	(376)	-	(2,655)
Balance at Sept. 30, 2025	<u>\$ -</u>	<u>\$ 150,855</u>	<u>\$ 976</u>	<u>\$ 60,717</u>	<u>\$ 32,379</u>	<u>\$ 3,449</u>	<u>\$ 34,371</u>	<u>\$ -</u>	<u>\$ 282,747</u>
Net amount at Sept. 30, 2025	<u>\$ 110,010</u>	<u>\$ 172,739</u>	<u>\$ 414</u>	<u>\$ 84,104</u>	<u>\$ 12,245</u>	<u>\$ 1,743</u>	<u>\$ 29,441</u>	<u>\$ 255</u>	<u>\$ 410,951</u>
Net amount as of Dec. 31, 2024 and Jan. 1, 2025	<u>\$ 110,010</u>	<u>\$ 176,133</u>	<u>\$ 583</u>	<u>\$ 85,126</u>	<u>\$ 10,693</u>	<u>\$ 558</u>	<u>\$ 34,259</u>	<u>\$ -</u>	<u>\$ 417,362</u>
Costs									
Balance at Jan. 1, 2024	\$ 110,010	\$ 320,050	\$ 1,390	\$ 121,931	\$ 33,787	\$ 3,655	\$ 56,118	\$ -	\$ 646,941
Additions	-	1,101	-	7,316	2,965	-	3,260	-	14,642
Disposal	-	-	-	-	(480)	-	-	-	(480)
Reclassification (Note)	-	-	-	7,764	4,477	-	563	-	12,804
Balance at Sept. 30, 2024	<u>\$ 110,010</u>	<u>\$ 321,151</u>	<u>\$ 1,390</u>	<u>\$ 137,011</u>	<u>\$ 40,749</u>	<u>\$ 3,655</u>	<u>\$ 59,941</u>	<u>\$ -</u>	<u>\$ 673,907</u>
Accumulated depreciation									
Balance at Jan. 1, 2024	\$ -	\$ 138,684	\$ 582	\$ 41,292	\$ 26,260	\$ 2,506	\$ 22,171	\$ -	\$ 231,495
Depreciation expenses	-	5,333	169	7,690	4,425	444	4,760	-	22,821
Disposal	-	-	-	-	(480)	-	-	-	(480)
Balance at Sept. 30, 2024	<u>\$ -</u>	<u>\$ 144,017</u>	<u>\$ 751</u>	<u>\$ 48,982</u>	<u>\$ 30,205</u>	<u>\$ 2,950</u>	<u>\$ 26,931</u>	<u>\$ -</u>	<u>\$ 253,836</u>
Net amount at Sept. 30, 2024	<u>\$ 110,010</u>	<u>\$ 177,134</u>	<u>\$ 639</u>	<u>\$ 88,029</u>	<u>\$ 10,544</u>	<u>\$ 705</u>	<u>\$ 33,010</u>	<u>\$ -</u>	<u>\$ 420,071</u>

Note: Transfer-in of prepayment for equipment.

The Group did not recognize or reverse any impairment loss from Jan. 1 to Sept. 30, 2025 and 2024.

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Buildings and structures	
Main buildings	35-45 years
Decoration engineering	3-23 years
Leasehold improvements	6 years
Machinery and equipment	3-20 years
Transportation equipment	5-6 years
Office equipment	3-8 years
Other equipment	3-15 years

17. Lease Arrangements

(1) Right-of-use assets

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Carrying amount of right-of-use assets			
Land	\$ 1,639	\$ 1,986	\$ 1,346
Buildings	20,340	15,996	9,254
Transportation equipment	<u>6,760</u>	<u>1,862</u>	<u>2,399</u>
	<u>\$ 28,739</u>	<u>\$ 19,844</u>	<u>\$ 12,999</u>
	<u>Jul. 1 to Sept. 30, 2025</u>	<u>Jul. 1 to Sept. 30, 2024</u>	<u>Jan. 1 to Sept. 30, 2025</u>
Additions to right-of-use assets			<u>\$ 15,020</u>
			<u>\$ 880</u>
Depreciation expenses of right-of-use assets			
Land	\$ 115	\$ 58	\$ 347
Buildings	1,099	585	3,202
Transportation equipment	<u>892</u>	<u>537</u>	<u>2,576</u>
	<u>\$ 2,106</u>	<u>\$ 1,180</u>	<u>\$ 6,125</u>
			<u>\$ 3,739</u>

In addition to the above additions and recognized depreciation expenses, the Group's right-of-use assets were not subleased or impaired from Jan. 1 to Sept. 30, 2025 and 2024.

(2) Lease liabilities

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Carrying amount of lease liabilities			
Current	<u>\$ 8,454</u>	<u>\$ 5,971</u>	<u>\$ 3,794</u>
Non-current	<u>\$ 19,404</u>	<u>\$ 13,946</u>	<u>\$ 9,022</u>

Range of discount rate for lease liabilities is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Land	1.00%~2.80%	1.00%~2.18%	1.00%
Buildings	1.01%~2.18%	1.01%~2.18%	1.00%~2.00%
Transportation equipment	0.91%~2.18%	0.91%~2.20%	0.91%~2.20%

(3) Material lease-in activities and terms

The Group rented land for use as Changhua parking lot, for a period of 10 years; rented buildings for use as the Taipei office, Changhua pigsty, Yunlin pigsty and warehouse, for a period of 3-10 years; and rented transportation equipment for office operations in Taipei and Changhua, for a period of 2-5 years. The Group had no preferential right to take the rented land, buildings and transportation equipment, and it was agreed that the Group should not sublease or transfer the whole or part of the rented object without the consent of the lessor.

(4) Other leasing information

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Short-term lease expenses	<u>\$ 378</u>	<u>\$ 249</u>	<u>\$ 699</u>	<u>\$ 916</u>
Lease expenses of low-value assets	<u>\$ 12</u>	<u>\$ 10</u>	<u>\$ 32</u>	<u>\$ 33</u>
Total cash (outflow) from leases			<u>(\$ 8,126)</u>	<u>(\$ 5,062)</u>

The Group has elected apply the recognition exemption for land, buildings and transportation equipment eligible for short-term leases and certain office equipment eligible for low-value asset leases, and did not recognize the right-of-use assets and lease liabilities of said leases.

18. Investment property

	Land	Buildings and structures	Total
<u>Costs</u>			
Balance at Jan. 1, 2025 and Sept. 30, 2025	<u>\$ 21,265</u>	<u>\$ 8,964</u>	<u>\$ 30,229</u>
<u>Accumulated depreciation</u>			
Balance at Jan. 1, 2025	\$ -	\$ 5,893	\$ 5,893
Depreciation expenses	-	173	173
Balance at Sept. 30, 2025	<u>\$ -</u>	<u>\$ 6,066</u>	<u>\$ 6,066</u>
Net amount at Sept. 30, 2025	<u>\$ 21,265</u>	<u>\$ 2,898</u>	<u>\$ 24,163</u>

	Land	Buildings and structures	Total
Net amount as of Dec. 31, 2024 and Jan. 1, 2025	<u>\$ 21,265</u>	<u>\$ 3,071</u>	<u>\$ 24,336</u>
<u>Costs</u>			
Balance at Jan. 1, 2024 and Sept. 30, 2024	<u>\$ 21,265</u>	<u>\$ 8,964</u>	<u>\$ 30,229</u>
<u>Accumulated depreciation</u>			
Balance at Jan. 1, 2024	\$ -	\$ 5,662	\$ 5,662
Depreciation expenses	-	173	173
Balance at Sept. 30, 2024	<u>\$ -</u>	<u>\$ 5,835</u>	<u>\$ 5,835</u>
Net amount at Sept. 30, 2024	<u>\$ 21,265</u>	<u>\$ 3,129</u>	<u>\$ 24,394</u>

The lease term of investment property is 3-5 years. At the end of the lease term, the lessee does not have a preferential right to take the investment property.

The total amount of lease payments that will be received in the future for leasing out investment property under operating leases is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
1st year	\$ 1,435	\$ 2,652	\$ 2,772
2nd year	592	790	1,435
3rd year	331	552	582
4th year	240	253	331
5th year	-	180	240
	<u>\$ 2,598</u>	<u>\$ 4,427</u>	<u>\$ 5,360</u>

Investment property is depreciated on a straight-line basis based on the number of useful lives below:

Buildings and structures	45 years
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Fair value of investment property is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Fair value	<u>\$ 229,820</u>	<u>\$ 229,820</u>	<u>\$ 229,820</u>

The fair value of the investment property as of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024 has not been evaluated by an independent evaluator, where, the management of the Group only reviewed the effectiveness of the valuation report on Nov. 17, 2023, and deemed that the fair value of the above investment property was still effective as of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, respectively, by taking into account the existing lease contracts and adjacent rental rates.

19. Other Intangible Assets

	<u>Computer software</u>
<u>Costs</u>	
Balance at Jan. 1, 2025	\$ 1,041
Acquired separately	<u>600</u>
Balance at Sept. 30, 2025	<u>\$ 1,641</u>
<u>Accumulated amortization</u>	
Balance at Jan. 1, 2025	\$ 934
Amortization expenses	<u>143</u>
Balance at Sept. 30, 2025	<u>\$ 1,077</u>
Net amount at Sept. 30, 2025	<u>\$ 564</u>
Net amount as of Dec. 31, 2024 and Jan. 1, 2025	<u>\$ 107</u>
<u>Costs</u>	
Balance at Jan. 1, 2024 and Sept. 30, 2024	<u>\$ 1,041</u>
<u>Accumulated amortization</u>	
Balance at Jan. 1, 2024	\$ 834
Amortization expenses	<u>76</u>
Balance at Sept. 30, 2024	<u>\$ 910</u>
Net amount at Sept. 30, 2024	<u>\$ 131</u>

Amortization expenses are recognized on a straight-line basis based on the number of useful lives below:

Computer software	3-5 years
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An analysis of amortization expenses by function:

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Administrative expenses	<u>\$ 63</u>	<u>\$ 24</u>	<u>\$ 143</u>	<u>\$ 76</u>

20. Other Assets

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Current</u>			
Prepayments	\$ 3,151	\$ 4,767	\$ 4,380
Others	<u>109</u>	<u>478</u>	<u>568</u>
	<u>\$ 3,260</u>	<u>\$ 5,245</u>	<u>\$ 4,948</u>
<u>Non-current</u>			
Prepayment for equipment	\$ 7,337	\$ 8,078	\$ 7,638
Refundable deposits	<u>4,908</u>	<u>5,062</u>	<u>2,813</u>
	<u>\$ 12,245</u>	<u>\$ 13,140</u>	<u>\$ 10,451</u>

21. Borrowings

(1) Short-term borrowings

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Unsecured borrowings</u>			
Credit borrowings	\$ 158,000	\$ 207,500	\$ 275,000
Letter of credit borrowings	<u>58,057</u>	<u>48,377</u>	<u>15,365</u>
	216,057	255,877	290,365
<u>Secured borrowings</u>			
(Note 34)			
Bank borrowings	<u>-</u>	<u>27,500</u>	<u>40,000</u>
	<u>\$ 216,057</u>	<u>\$ 283,377</u>	<u>\$ 330,365</u>

The interest rates for bank loans on Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024 were 1.903% to 4.800%, 1.820% to 5.550% and 1.815% to 5.867%, respectively, with the Small and Medium sized Enterprises Credit Guarantee Fund as collateral.

(2) Long-term borrowings

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Secured borrowings</u>			
Bank borrowings	\$ 35,000	\$ 35,000	\$ 35,000
Less: Long-term borrowings			
due within one year	(<u>5,673</u>)	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ 29,327</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

The Group obtained a new bank loan of NT\$35,000 thousand in March 2024, with a loan interest rate of 0.50%, and used the Small and Medium sized Enterprise Credit Guarantee Fund as collateral. The grace period is from the date of allocation to April 2026, and the principal will be repaid every month after the grace period expires. The loan maturity date is March 2029, and the allocated amount is mainly used for general operating turnover.

22. Accounts Payable

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>Accounts payable</u>			
From operations	<u>\$ 227,142</u>	<u>\$ 166,461</u>	<u>\$ 207,731</u>

The Group has a financial risk management policy, to ensure that all payables are repaid within a pre-agreed credit period.

23. Other Payables

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Salaries and bonuses payable	\$ 19,362	\$ 24,255	\$ 20,693
Remuneration to employees and directors payable	24,000	21,500	22,000
Freight payable	7,368	6,760	5,690
Promotion expense payable	5,484	3,728	3,881
Insurance expense payable	1,835	1,852	2,553
Repair charge payable	2,597	2,350	2,221
Pension payable	1,142	970	1,224
Equipment payment payable	3,631	3,884	1,643
Payment for time not worked payable	1,203	-	983
Investment payment payable	5,776	3,671	9,620
Others	<u>16,375</u>	<u>9,812</u>	<u>13,938</u>
	<u>\$ 88,773</u>	<u>\$ 78,782</u>	<u>\$ 84,446</u>

24. Post-Employment Benefit Plans

The pension income related to the defined benefit plans recognized for the three and nine months ended on Sept. 30, 2025 and 2024 calculated at the pension cost rates actuarially determined on Dec. 31, 2024 and 2023 were NT\$69 thousand, NT\$20 thousand, NT\$208 thousand, and NT\$62 thousand, respectively.

25. Equity

(1) Common stock

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Authorized shares (in thousands)	<u>70,000</u>	<u>50,000</u>	<u>50,000</u>
Authorized capital	<u>\$ 700,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Issued and paid shares (in thousands)	<u>44,232</u>	<u>41,339</u>	<u>41,339</u>
Issued capital	<u>\$ 442,324</u>	<u>\$ 413,387</u>	<u>\$ 413,387</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

On Jun. 23, 2025, upon resolution of the annual general meeting, the Company passed capital increase of NT\$28,937 thousand from surplus, with issuance of total 2,894 thousand new shares at the par value of NT\$10 each, which has been approved and declared effective by the Financial Supervisory Commission on Aug. 6, 2025. And on Aug. 11, 2025, it was resolved by the Board of Directors to set Sept. 4, 2025 as the base date for capital increase.

On Jun. 24, 2024, upon resolution of the annual general meeting, the Company passed capital increase of NT\$19,685 thousand from surplus, with issuance of total 1,969 thousand new shares at the par value of NT\$10 each, which has been approved and declared effective by the Financial Supervisory Commission on Aug. 2, 2024. And on Aug. 12, 2024, it was resolved by the Board of Directors to set Sept. 3, 2024 as the base date for capital increase.

(2) Capital surplus

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
<u>May be used to compensate losses, distribute cash, or replenish capital</u> (Note 1)			
Share premium	\$ 132,883	\$ 132,883	\$ 132,883
Difference between the actual acquisition or disposal price of the subsidiary's equity price and the book value	2,135	2,135	2,135
Conversion premium of employee stock options	1,023	1,023	1,023
Expiration of employee stock options	372	372	372
<u>May only be used to compensate losses</u>			
Recognition of changes in ownership interests of subsidiaries (Note 2)	<u>8,794</u>	<u>8,794</u>	<u>8,794</u>
	<u>\$ 145,207</u>	<u>\$ 145,207</u>	<u>\$ 145,207</u>

Note 1: This type of capital surplus can be used to make up for losses, and can also be used to pay cash or to replenish capital when the Company does not suffer losses, but when capital is replenished, it is limited to a certain percentage of the paid-in capital each year.

Note 2: Such capital reserves are the impact of equity transactions recognized as a factor of changes in the subsidiary's equity when the Company makes no actual acquisition or disposal of the subsidiary's equity.

(3) Retained earnings and dividends policy

In accordance with the Company's Articles of Incorporation regarding the earnings distribution policy, if there is a surplus in the Company's annual final accounts, it shall be firstly used to pay taxes and make up for cumulative losses, and then 10% of the balance shall be set aside as the legal reserve, which shall no longer be set aside if

reaching paid-in capital of the Company; and then special reserves shall be set aside or reversed as stipulated by laws and regulations or competent authority; as for the balance, together with the cumulative undistributed earnings, the Board of Directors shall make an earning distribution proposal, and then submit to the Shareholders' Meeting to resolve to be used for distribution of shareholders' dividends and bonuses. If the Company's Shareholders' Meeting resolves to distribute dividends to shareholders in the form of cash or stock, and if the Company's Shareholders' Meeting resolves to distribute dividends to shareholders, no less than 10% of the cumulative earnings available for distribution shall be allocated for the distribution of dividends to shareholders every year, but if the cumulative earnings available for distribution are less than 1% of the paid-in capital, it may not be distributed, and the cash dividend shall not be less than 10% of the total dividends. For the employee compensation and directors' remuneration distribution policy stipulated in the Company's Articles of Incorporation, please refer to Note 27(8) regarding employee compensation and directors' remuneration.

The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.

The Company set aside and reversed a special reserve in accordance with the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022, and the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", which included the impact of the conversion of actuarial gains and losses on defined benefit pension plans, land revaluation appreciation, and employee benefits - short-term cumulative paid leave.

The Company held annual general meeting on Jun. 23, 2025 and Jun. 24, 2024, respectively, which resolved and passed the earning distribution plans for 2024 and 2023 as follows:

	2024	2023
Legal reserve	<u>\$ 28,045</u>	<u>\$ 16,344</u>
Cash dividends	<u>\$ 111,614</u>	<u>\$ 86,614</u>
Stock dividends	<u>\$ 28,937</u>	<u>\$ 19,685</u>
Cash dividend per share (NTD)	\$ 2.7	\$ 2.2
Stock dividend per share (NTD)	\$ 0.7	\$ 0.5

(4) Other equity items

Unrealized appraisal gains or losses from financial assets at fair value through other comprehensive income

	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Opening balance	\$ 144,492	\$ 246,029
Recognized in the current period		
Unrealized Gain/(Loss)		
Equity instruments	(51,542)	456,078
Other comprehensive income in the current period	(51,542)	456,078
Cumulative gains and losses on disposal of equity instruments reclassified as retained earnings	-	(73,349)
Closing balance	\$ 92,950	\$ 628,758

(5) Non-controlling interests

	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Opening balance	\$ 47,751	\$ 60,891
Current net loss	(4,701)	(12,786)
Closing balance	\$ 43,050	\$ 48,105

26. Revenue

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
<u>Revenue from customer contracts</u>				
Revenue from livestock feed	\$ 298,482	\$ 342,848	\$ 988,117	\$ 1,114,013
Revenue from egg products	274,738	237,018	718,223	676,020
Revenue from breeding	91,975	92,577	269,832	256,205
Revenue from trading of bulk raw materials	31,410	27,353	64,573	82,714
Other income	1,565	1,059	4,540	3,937
	<u>\$ 698,170</u>	<u>\$ 700,855</u>	<u>\$ 2,045,285</u>	<u>\$ 2,132,889</u>

(1) Description of customer contracts

Sales revenue

Sales revenue of the Group mainly comes from sales of all kinds of feeds, bulk raw materials, pigs and meat poultry, and egg products, which are accounted for when actual discounts occur, while the remaining sales items are sold at fixed prices agreed on by contract.

(2) Balance of contracts

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024	Jan. 1, 2024
Notes receivable (Note 11)	<u>\$ 184,623</u>	<u>\$ 228,696</u>	<u>\$ 242,729</u>	<u>\$ 211,143</u>
Accounts receivable (Note 11)	<u>\$ 346,826</u>	<u>\$ 304,688</u>	<u>\$ 322,902</u>	<u>\$ 329,582</u>
Accounts receivable - related parties (Note 33)	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,430</u>	<u>\$ -</u>
Contract liabilities Sales	<u>\$ 3,229</u>	<u>\$ 706</u>	<u>\$ 1,143</u>	<u>\$ 754</u>

(3) Breakdown of revenue from customer contracts

Please refer to Note 40 for information on breakdown of revenues.

27. Net Income

(1) Interest income

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Cash in banks	\$ 1	\$ 2	\$ 260	\$ 254
Financial assets measured at amortized cost	108	110	304	249
Financial assets at FVTPL	817	728	2,097	1,922
Others	<u>3</u>	<u>6</u>	<u>35</u>	<u>21</u>
	<u>\$ 929</u>	<u>\$ 846</u>	<u>\$ 2,696</u>	<u>\$ 2,446</u>

(2) Other income

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Dividend income	\$ 2,375	\$ 843	\$ 2,572	\$ 903
Directors' remuneration income	2,600	1,469	2,600	2,407
Rental income	244	240	728	811
Others	<u>59</u>	<u>4</u>	<u>848</u>	<u>434</u>
	<u>\$ 5,278</u>	<u>\$ 2,556</u>	<u>\$ 6,748</u>	<u>\$ 4,555</u>

(3) Other gains and losses

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Net foreign currency exchange losses	(\$ 1,872)	(\$ 178)	(\$ 337)	(\$ 3,175)
Gains (losses) on disposal of property, plant and equipment	138	-	(389)	29
Gains from disposal of productive biological assets	212	642	1,596	1,112
Gains (losses) from financial assets mandatorily at fair value through profit or loss	(1,120)	(600)	12,522	(202)
Gains from lease modification	-	-	-	2

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Miscellaneous expenses	(<u>54</u>) (<u>\$ 2,696</u>)	(<u>1</u>) (<u>\$ 137</u>)	(<u>54</u>) <u>\$ 13,338</u>	(<u>96</u>) (<u>\$ 2,330</u>)

(4) Financial costs

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Interest on bank borrowings	(\$ 1,532)	(\$ 1,780)	(\$ 4,519)	(\$ 6,565)
Interest on lease liabilities	(<u>115</u>) (<u>\$ 1,647</u>)	(<u>45</u>) (<u>\$ 1,825</u>)	(<u>316</u>) (<u>\$ 4,835</u>)	(<u>148</u>) (<u>\$ 6,713</u>)

(5) Depreciation and amortization

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Property, Plant and Equipment	\$ 8,252	\$ 7,834	\$ 24,352	\$ 22,821
Biological assets	3,566	2,051	7,745	5,943
Right-of-use assets	2,106	1,180	6,125	3,739
Investment property	57	57	173	173
Intangible assets	<u>63</u>	<u>24</u>	<u>143</u>	<u>76</u>
	<u>\$ 14,044</u>	<u>\$ 11,146</u>	<u>\$ 38,538</u>	<u>\$ 32,752</u>
An analysis of depreciation expenses by function				
Operating costs	\$ 10,486	\$ 8,113	\$ 27,999	\$ 23,478
Operating expenses	<u>3,495</u>	<u>3,009</u>	<u>10,396</u>	<u>9,198</u>
	<u>\$ 13,981</u>	<u>\$ 11,122</u>	<u>\$ 38,395</u>	<u>\$ 32,676</u>
An analysis of amortization expenses by function				
Administrative expenses	<u>\$ 63</u>	<u>\$ 24</u>	<u>\$ 143</u>	<u>\$ 76</u>

Please refer to Note 19 for information on allocation of intangible assets' amortization expenses to individual line items.

(6) Direct operating expenses of investment property

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Rental income generated				
Salaries and wages	\$ 145	\$ 42	\$ 341	\$ 214
Depreciation	57	57	173	173
Others	<u>39</u>	<u>69</u>	<u>98</u>	<u>126</u>
	<u>\$ 241</u>	<u>\$ 168</u>	<u>\$ 612</u>	<u>\$ 513</u>

(7) Employee benefits expenses

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Short-term employee benefits	<u>\$ 35,670</u>	<u>\$ 35,529</u>	<u>\$ 107,828</u>	<u>\$ 107,362</u>
Post-employment benefits				
Defined contribution plans	1,479	1,231	4,362	4,136
Defined benefit plans (Note 24)	(<u>69</u>)	(<u>20</u>)	(<u>208</u>)	(<u>62</u>)
	<u>1,410</u>	<u>1,211</u>	<u>4,154</u>	<u>4,074</u>
Labor and health insurance expenses	5,342	3,116	11,980	9,245
Other employee benefits	<u>1,462</u>	<u>2,152</u>	<u>4,165</u>	<u>4,612</u>
Total employee benefits expenses	<u>\$ 43,884</u>	<u>\$ 42,008</u>	<u>\$ 128,127</u>	<u>\$ 125,293</u>
An analysis by function				
Operating costs	\$ 18,356	\$ 15,224	\$ 47,274	\$ 44,487
Operating expenses	<u>25,528</u>	<u>26,784</u>	<u>80,853</u>	<u>80,806</u>
	<u>\$ 43,884</u>	<u>\$ 42,008</u>	<u>\$ 128,127</u>	<u>\$ 125,293</u>

(8) Employee compensation and directors' remuneration

In accordance with the provisions of the Articles of Incorporation, the Company shall allocate more than 1.5% and no more than 5% of the pre-tax income before the employee compensation and directors' remuneration distributed are deducted for employee compensation and directors' remuneration, respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company's shareholders' meeting on Jun. 23, 2025, approved by resolution to amend the Articles of Incorporation to stipulate that 1% of the pre-tax income for the year, before deducting employee compensation and director remuneration, shall be allocated as compensation for entry-level employees. The estimated employee compensation (including entry-level employees) and director remuneration for the three and nine months ended Sept. 30, 2025 and 2024, are as follows:

Estimated percentage

	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Employee compensation	2.38%	2.92%
Directors' remuneration	2.38%	2.92%

Amount

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Employee compensation	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>
Directors' remuneration	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>

If there is a change in the amount after the annual consolidated financial statements are approved for release, it shall be treated as a change in accounting estimates and adjusted and accounted for in the next year.

The employee compensation and directors' remuneration for 2024 and 2023 resolved by the board of directors on Mar. 14, 2025 and Mar. 11, 2024, respectively, are as follows:

	2024	2023
	Cash	Cash
Employee compensation	\$ 7,500	\$ 6,500
Directors' remuneration	\$ 7,500	\$ 6,500

There was no difference between the actual amount of employee compensation and directors' remuneration distributed for 2024 and 2023 and the amount recognized in the 2024 and 2023 consolidated financial statements.

For information on employee compensation and directors' remuneration decided by the Company's board of directors, please visit the Market Observatory Post System (MOPS) of Taiwan Stock Exchange.

(9) Gains and losses from foreign currency exchange

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Total foreign currency exchange gains	\$ 44	\$ 567	\$ 3,082	\$ 2,039
Total foreign currency exchange (losses)	(1,916)	(745)	(3,419)	(5,214)
Net gains (losses)	(\$ 1,872)	(\$ 178)	(\$ 337)	(\$ 3,175)

28. Income Tax

(1) Income tax recognized in profit or loss

Major components of income tax (gains) expenses are as follows:

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Current income tax				
Current period	(\$ 11,005)	\$ 8,428	\$ 7,107	\$ 28,016
Surtax on undistributed earnings	-	-	5,593	2,040
Adjustments to prior years	-	-	(1,439)	465
	(11,005)	8,428	11,261	30,521
Deferred income tax				
Current period	396	725	(979)	60
Income tax (gains) expense recognized in profit or loss	(\$ 10,609)	\$ 9,153	\$ 10,282	\$ 30,581

(2) Income tax approval

As for the profit-seeking enterprise income tax returns filed by the Company and its subsidiaries, the cases before 2023 have been approved by the tax collection authority.

As of Sept. 30, 2025, the Company and its subsidiaries did not have any pending tax litigation cases.

29. Earnings Per Share

	Unit: NTD per share			
	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Earnings per basic share	<u>\$ 1.51</u>	<u>\$ 1.08</u>	<u>\$ 3.84</u>	<u>\$ 2.87</u>
Earnings per diluted share	<u>\$ 1.50</u>	<u>\$ 1.08</u>	<u>\$ 3.83</u>	<u>\$ 2.87</u>

In calculating the earnings per share, the impact of the stock dividends has been retroactively adjusted and the record date of the stock dividends was set on Sept. 4, 2025. Upon retrospective adjustment, the change in earnings per basic share and per diluted share for the three and nine months ended Sept. 30, 2025 and 2024 is as follows:

	Unit: NTD per share			
	Before retrospective adjustment		After retrospective adjustment	
	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2024
Earnings per basic share	<u>\$ 1.16</u>	<u>\$ 3.07</u>	<u>\$ 1.08</u>	<u>\$ 2.87</u>
Earnings per diluted share	<u>\$ 1.15</u>	<u>\$ 3.07</u>	<u>\$ 1.08</u>	<u>\$ 2.87</u>

The earnings and the weighted average number of ordinary shares adopted to calculate the earnings per share are as follows:

Profit

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Net income used in the computation of the earnings per basic share and per diluted share - attributed to the owners of the Company	<u>\$ 66,668</u>	<u>\$ 47,750</u>	<u>\$ 169,898</u>	<u>\$ 127,102</u>

Number of shares

	Unit: thousand shares			
	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Weighted average number of ordinary shares in computation of basic earnings per share	44,233	44,233	44,233	44,233
Effect of potentially dilutive ordinary shares:				
Employee compensation	<u>78</u>	<u>85</u>	<u>115</u>	<u>119</u>

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>44,311</u>	<u>44,318</u>	<u>44,348</u>	<u>44,352</u>

If the Group can settle the compensation to employees in cash or shares, the Group assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. Information on Cash Flows

(1) Non-cash transactions

Unless disclosed in other notes, the Group conducted the following non-cash investment and financing activities from Jan. 1 to Sept. 30, 2025 and 2024:

- A. As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the outstanding amounts for the acquisition of property, plant and equipment by the Group are NT\$3,631 thousand, NT\$3,884 thousand and NT\$1,643 thousand, respectively (other payables included in the statements).
- B. As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the Group has acquired financial assets measured at fair value through profit or loss with an unpaid amount of NT\$4,613 thousand, NT\$3,671 thousand and NT\$9,620 thousand, respectively (recorded as other payables).
- C. As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the Group has acquired financial assets at fair value through other comprehensive income with an unpaid amount of NT\$1,163 thousand, NT\$0 thousand and NT\$0 thousand, respectively (recorded as other payables).
- D. As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the amount of uncollected proceeds from the disposal of financial assets at fair value through profit or loss was NT\$0 thousand, NT\$450 thousand, and NT\$2,475 thousand, respectively (listed under other receivables).

(2) Changes in liabilities from financing activities

Jan. 1 to Sept. 30, 2025

	Jan. 1, 2025	Cash flows	Non-cash changes				Others	Sept. 30, 2025
			New leases	Decrease in leases	Amortized amount of interest expense	Effect of exchange rate changes		
Short-term borrowings	\$ 283,377	(\$ 67,379)	\$ -	\$ -	\$ -	\$ 59	\$ -	\$ 216,057
Lease liabilities	19,917	(7,079)	15,020	-	316	-	(316)	27,858
	<u>\$ 303,294</u>	<u>(\$ 74,458)</u>	<u>\$ 15,020</u>	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 59</u>	<u>(\$ 316)</u>	<u>\$ 243,915</u>

Jan. 1 to Sept. 30, 2024

	Jan. 1, 2024	Cash flows	Non-cash changes				Others	Sept. 30, 2024
			New leases	Decrease in leases	Amortized amount of interest expense	Effect of exchange rate changes		
Short-term borrowings	\$ 374,829	(\$ 44,275)	\$ -	\$ -	\$ -	(\$ 189)	\$ -	\$ 330,365
Short-term bills payable	20,000	(20,000)	-	-	-	-	-	-
Lease liabilities	16,117	(3,965)	880	(216)	148	-	(148)	12,816
Long-term borrowings	-	35,000	-	-	-	-	-	35,000
	<u>\$ 410,946</u>	<u>(\$ 33,240)</u>	<u>\$ 880</u>	<u>(\$ 216)</u>	<u>\$ 148</u>	<u>(\$ 189)</u>	<u>(\$ 148)</u>	<u>\$ 378,181</u>

31. Capital Risk Management

The Group makes capital management to ensure that the Group is able to maximize shareholder returns by optimizing debt and equity balances as a going concern. There is no change in overall strategy of the Group.

The capital structure of the Group consists of the Group's net debt (i.e., borrowings less cash) and equity attributable to owners of the Company (i.e., equity, capital reserves, retained earnings and other equity items).

The Group does not need to comply with other external capital requirements.

The Group's key management reviews the capital structure regularly, and their review includes considering the costs of various types of capital and relevant risks. Based on advice of the key management, the Group will balance the whole capital structure by payment of dividends, issuance of new shares or repayment of old debts, etc.

32. Financial Instruments

(1) Fair value - financial instruments not at fair value

Sept. 30, 2025

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at amortized cost					
- Foreign bonds	<u>\$ 10,265</u>	<u>\$ -</u>	<u>\$ 10,175</u>	<u>\$ -</u>	<u>\$ 10,175</u>

Dec. 31, 2024

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
- Foreign bonds	\$ 11,104	\$ -	\$ 10,801	\$ -	\$ 10,801

Sept. 30, 2024

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets measured at amortized cost					
- Foreign bonds	\$ 10,744	\$ -	\$ 10,666	\$ -	\$ 10,666

Except for the foreign bonds of Level 2 above, which are measured by reference market values provided by third parties, the carrying amounts of financial assets and financial liabilities that are not measured at fair value are close to their fair value or their fair value cannot be reliably measured.

(2) Fair value - financial instruments at fair value on a recurring basis

A. Fair value hierarchy

Sept. 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed (OTC) stocks	\$ 35,245	\$ -	\$ -	\$ 35,245
Foreign bonds	-	29,286	-	29,286
Fund beneficiary certificate	9,270	-	-	9,270
Structured commodity	-	23,390	-	23,390
	<u>\$ 44,515</u>	<u>\$ 52,676</u>	<u>\$ -</u>	<u>\$ 97,191</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
- Domestic listed stocks	<u>\$ 144,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,235</u>

Dec. 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed stocks	\$ 50,365	\$ -	\$ -	\$ 50,365
Foreign bonds	-	30,277	-	30,277
Fund beneficiary certificate	14,777	-	-	14,777
Structured commodity	-	24,927	-	24,927
	<u>\$ 65,142</u>	<u>\$ 55,204</u>	<u>\$ -</u>	<u>\$ 120,346</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
- Domestic listed stocks	<u>\$ 187,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,403</u>

Sept. 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed stocks	\$ 32,298	\$ -	\$ -	\$ 32,298
Foreign bonds	-	30,603	-	30,603
Fund beneficiary certificate	4,840	-	-	4,840
Structured commodity	-	24,934	-	24,934
	<u>\$ 37,138</u>	<u>\$ 55,537</u>	<u>\$ -</u>	<u>\$ 92,675</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
- Domestic listed stocks	<u>\$ 674,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,596</u>

Transfer between Level 1 and Level 2 fair values from Jan. 1 to Sept. 30, 2025 and 2024.

B. Valuation techniques and inputs applied for Level 2 fair value measurement

Types of financial instruments	Valuation techniques and inputs
Foreign debt instrument investment and structured commodity	It is measured by reference market values provided by third parties.

(3) Categories of financial instruments

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 97,191	\$ 120,346	\$ 92,675
Financial assets measured at amortized cost (Note 1)	604,278	624,244	644,028
Financial assets at FVTOCI			
Investment in equity instruments	144,235	187,403	674,596
<u>Financial liability</u>			
Financial liability at amortized cost (Note 2)	527,355	534,511	631,541

Note 1: The balances include financial assets measured at amortized cost, which comprise cash, financial assets measured at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, other receivables and refundable deposits (other non-current assets included in the statements).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, accounts payable - related parties, some other payables, other payables - related parties, long-term borrowings due within one year, long-term borrowings, and guarantee deposits received (other non-current assets included in the statements).

(4) Financial risk management objective and policies

Main financial instruments of the Group include equity investment, accounts receivable, accounts payable, borrowings and lease liabilities, etc. The Group's financial management department supervises and manages the financial risks related to the Group's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

A. Market risk

The main financial risks of the Group as a result of its operations are the risk of foreign exchange rate fluctuations (refer to (1) below), the risk of interest rate fluctuations (refer to (2) below) and other price risks (refer to (3) below).

There is no change in the Group's exposure to market risks in financial instruments and in the way it manages and measures such exposure.

(A) Exchange rate risk

The Group is engaged in transactions denominated in foreign currencies, thus causing the Group to be exposed to the risk of exchange rate fluctuations.

For the carrying amount of the Group's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, please refer to Note 38.

Sensitivity analysis

The Group is mainly affected by fluctuations in the exchange rates of USD. The table below details the Group's sensitivity analysis when the exchange rate between the NTD (functional currency) and the functional currency increases and decreases by 1%. A sensitivity rate of 1% is used internally when reporting to management from the Group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates. The sensitivity analysis includes only monetary

items in outstanding foreign currencies, and adjusts their conversion at the end of the period by 1% fluctuation in exchange rate. The amounts in the following table represent the amount that would increase in net income before tax if the NTD depreciates by 1% against the USD; when the NTD appreciates by 1% against the USD, its impact on net income before tax will be negative of the same amount.

	Effect on USD	
	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Gains and losses	(\$ 376)	\$ 184

The above mainly arose from the Group's bank deposits, financial assets at FVTPL, financial assets measured at amortized cost, short-term borrowings, and accounts payable denominated in USD that are still in circulation without cash flow hedging at the balance sheet date.

The increase in the Group's sensitivity to USD exchange rate in the current period was mainly due to the increase in the short-term borrowings denominated in USD.

(B) Interest rate risk

Because the Group has capital adopting fixed and floating interest rates simultaneously, thus, the interest rate risk exposure arises. The Group manages the interest rate risk by maintaining an appropriate fixed and floating interest rate portfolio.

The carrying amount of the Group's financial assets and financial liabilities exposed to the interest rate risk at the balance sheet date is as follows:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Interest rate risk with fair value			
- Financial assets	\$ 62,941	\$ 66,308	\$ 41,347
- Financial liability	152,858	102,917	75,816
Cash flow interest rate risk			
- Financial assets	56,355	70,983	83,442
- Financial liability	126,057	235,377	302,365

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments at the balance sheet date. For

assets and liabilities adopting floating interest rate, the analysis assumes that the amounts of the assets and liabilities outstanding at the balance sheet date are outstanding during the reporting period. The fluctuation rate used by the Group in reporting interest rates internally to the key management is a 25 basis point increase or decrease in interest rate, which also represents management's assessment of the range of reasonable possible fluctuations in interest rates.

If the interest rate increases/decreases by 25 base point, then under the condition that all other variables remain unchanged, the Group's net income before tax from Jan. 1 to Sept. 30, 2025 and 2024 would decrease/increase by NT\$131 thousand and NT\$410 thousand, respectively, mainly because of the Group's risk exposure of cash in banks and borrowings at floating interest rates.

The decrease in the Group's sensitivity to interest rate in the current period was mainly due to the decrease in the bank borrowings adopting floating interest rate.

(C) Other price risks

The Group is exposed to price risk arising from investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity securities price risk at the balance sheet date.

If the equity securities price increases/decreases by 1%, the gains and losses before tax from Jan. 1 to Sept. 30, 2025 and 2024 would increase/decrease NT\$ 972 thousand and NT\$ 927 thousand, respectively, due to increase/decrease in fair value of financial assets at fair value through profit and loss; and the other comprehensive income before tax from Jan. 1 to Sept. 30, 2025 and 2024 would increase/decrease NT\$ 1,442 thousand and NT\$ 6,746 thousand, respectively, due to increase/decrease in fair value of financial assets at fair value through other comprehensive income.

The Group's sensitivity to price risk of financial assets at fair value through profit and loss in this period, is not much different from the same period of the previous year.

The Group has decreased sensitivity to price risk of financial assets at fair value through other comprehensive income for the current period, mainly due to a decrease in equity security investments.

B. Credit risk

Credit risk refers to the risk that a counterparty defaults on the contract obligation and causes the financial loss to the Group. As of the balance sheet date, the maximum credit risk exposure that the Group may incur financial losses due to the counterparty's non-performance of obligations, is mainly from the carrying amount of financial assets recognized in the consolidated balance sheet.

The Group's object of accounts receivable cover a large number of customers, without material credit risk against any single counterparty or any group of counterparties with similar characteristics.

C. Liquidity risk

The Group manages and maintains sufficient cash positions to support the operations of the Group and mitigate the impact of cash flow fluctuations. The Group's management supervises use condition of the banks' financing facilities, and guarantee compliance with the borrowing contract clauses.

Borrowings from banks are an important source of liquidity for the Group. For financing facilities unspent by the Group, please refer to the following (B) Description of financing facilities.

(A) Table of liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Group might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings for which the Group may be demanded to make immediate repayment, are listed within the earliest period in the following table, however, by considering the financial position of the Group, the management thinks that it is unlikely that the bank would exercise its right to demand immediate settlement from the Group. The management believes that the bank borrowings will be repaid at the end of the reporting period in accordance with the repayment schedule specified in the borrowing agreement; the maturity analysis of other non-derivative financial liabilities was compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the balance sheet date.

Sept. 30, 2025

	Require immediate payment or payment within 1 month	1-3 months	3 months -1 year	1-5 years	Over 5 years
Non-interest-bearing liabilities	\$ 276,151	\$ -	\$ -	\$ 147	\$ -
Lease liabilities	575	1,269	7,099	17,174	3,277
Floating interest rate instruments	33,282	58,434	6,229	30,176	-
Fixed interest rate instruments	<u>80,176</u>	<u>159</u>	<u>45,003</u>	<u>-</u>	<u>-</u>
	<u>\$ 390,184</u>	<u>\$ 59,862</u>	<u>\$ 58,331</u>	<u>\$ 47,497</u>	<u>\$ 3,277</u>

Dec. 31, 2024

	Require immediate payment or payment within 1 month	1-3 months	3 months -1 year	1-5 years	Over 5 years
Non-interest-bearing liabilities	\$ 215,987	\$ -	\$ -	\$ 147	\$ -
Lease liabilities	842	1,034	4,366	13,807	443
Floating interest rate instruments	40,498	125,981	35,755	36,405	-
Fixed interest rate instruments	<u>30,117</u>	<u>53,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 287,444</u>	<u>\$ 180,145</u>	<u>\$ 40,121</u>	<u>\$ 50,359</u>	<u>\$ 443</u>

Sept. 30, 2024

	Require immediate payment or payment within 1 month	1-3 months	3 months -1 year	1-5 years	Over 5 years
Non-interest-bearing liabilities	\$ 265,973	\$ -	\$ -	\$ 203	\$ -
Lease liabilities	271	692	2,973	8,679	561
Floating interest rate instruments	10,519	193,158	65,817	36,599	-
Fixed interest rate instruments	<u>30,114</u>	<u>33,065</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 306,877</u>	<u>\$ 226,915</u>	<u>\$ 68,790</u>	<u>\$ 45,481</u>	<u>\$ 561</u>

(B) Financing facilities

	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Unsecured back borrowings quota			
- Amount spent	\$ 216,057	\$ 255,877	\$ 290,365
- Amount unspent	<u>1,436,443</u>	<u>1,640,701</u>	<u>1,584,455</u>
	<u>\$ 1,652,500</u>	<u>\$ 1,896,578</u>	<u>\$ 1,874,820</u>
Secured back borrowings quota			
- Amount spent	\$ 35,000	\$ 62,500	\$ 75,000
- Amount unspent	<u>28,000</u>	<u>118,000</u>	<u>-</u>
	<u>\$ 63,000</u>	<u>\$ 180,500</u>	<u>\$ 75,000</u>

33. Related Party Transactions

The transactions, account balances, as well as income and expenses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated upon consolidation, so they are not disclosed in this note. Unless disclosed in other notes, the transactions between the Group and the related parties are as follows.

(1) Name of related parties and relationship

<u>Name of related party</u>	<u>Relationship with the Group</u>
Top Food Industry Corporation	Associate
Formosa Oilseed Processing Co., Ltd. (Note 1)	Substantial related party (the Chairman of the Company is the director of that company)
FineTek Co., Ltd. (Note 2)	Substantive related parties (The Company's Chairman and the chairman of the other company are relatives within the second degree of kinship.)
Maode Investment Inc.	Substantial related party
Taiwan Xianglong Evergreen	Substantial related party
Lohas Promotion Association	
Qing-De, Wu	Substantial related party (chairman of the Company)
Qi-Ye, Huang	Substantial related party (major shareholder of the Company)
Yun-Hui, Huang	Substantial related party

Note 1: The Company resigned as a corporate director of Formosa Oilseed Processing Co., Ltd. upon the expiration of our term on Nov. 22, 2024, and the Chairman of the Company became a director of that company.

Note 2: The Company's Chairman resigned as Chairman of FineTek Co., Ltd. upon the expiration of his term on Jun. 13, 2025. However, as the Company's Chairman and the new chairman of that company are relatives within the second degree of kinship, they remain substantive related parties.

(2) Operating revenue

Related party category	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Substantial related party	<u>\$ 41</u>	<u>\$ 12,731</u>	<u>\$ 145</u>	<u>\$ 12,798</u>

The Group's sales price and collection period for related parties are comparable to that for ordinary customers.

(3) Purchases

Related party category	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Substantial related party	<u>\$ 2,761</u>	<u>\$ 43,104</u>	<u>\$ 45,929</u>	<u>\$ 133,347</u>

The purchase price of the Group to the related parties is agreed upon by both parties, and its payment term is not significantly different from that for ordinary manufacturers.

(4) Receivable to related parties

Account title	Related party category	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Accounts receivable - related parties	Substantial related party	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 2,430</u>

No guarantee was collected for the outstanding receivables from related parties. As of Sept. 30, 2025 and Sept. 30, 2024, the Group's receivables from related parties were not past due, so no allowance for losses has been provided.

(5) Payables to related parties

Account title	Related party category/name	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Accounts payable - related parties	Substantial related party / Formosa Oilseed Processing Co., Ltd.	<u>\$ -</u>	<u>\$ 11,737</u>	<u>\$ 15,045</u>

The balance of the outstanding payables to related parties is not guaranteed.

(6) Rent agreement

Account title	Related party category/name	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Lease liabilities	Substantial related party / Qi-Ye, Huang	<u>\$ 1,883</u>	<u>\$ 2,301</u>	<u>\$ 2,439</u>

Related party category	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
<u>Interest expense</u>				
Substantial related party	<u>\$ 10</u>	<u>\$ 13</u>	<u>\$ 32</u>	<u>\$ 41</u>

The Group rented office venues from the substantial related parties, at the rental price determined in reference to the general market price, and the payment terms are monthly payment.

(7) Endorsement/guarantee

Endorsements/Guarantees received

<u>Related party category/name</u>	<u>Sept. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sept. 30, 2024</u>
Substantial related party /			
Qing-De, Wu			
Amount guaranteed	<u>\$ 430,500</u>	<u>\$ 223,000</u>	<u>\$ 178,000</u>
Amount actually drawn	<u>\$ 81,563</u>	<u>\$ 88,000</u>	<u>\$ 143,000</u>

(8) Transactions with other related parties

A.

<u>Account title</u>	<u>Related party category/name</u>	<u>Jul. 1 to Sept. 30, 2025</u>	<u>Jul. 1 to Sept. 30, 2024</u>	<u>Jan. 1 to Sept. 30, 2025</u>	<u>Jan. 1 to Sept. 30, 2024</u>
Other income - Directors' remuneration income	Associate / Top Food Industry Corporation	<u>\$ 1,230</u>	<u>\$ -</u>	<u>\$ 1,230</u>	<u>\$ 938</u>
	Substantial related party / Formosa Oilseed Processing Co., Ltd.	<u>\$ 1,370</u>	<u>\$ 1,469</u>	<u>\$ 1,370</u>	<u>\$ 1,469</u>

B. In addition, the Group and the substantial related party - Huang, Yun-Hui jointly operate the livestock and pig farm plan in the form of joint operation cooperation, where, the substantial related party - Huang, Yun-Hui provides the existing pig breeding site, while the Group provides the pigs and the feed for the pigs, and is responsible for coordinating the operation activities such as the raising and marketing of the pigs, so as to increase the profits.

In accordance with the profit distribution ratio in the contract, the amounts paid by the Group to substantial related parties during the three and nine months ended Sept. 30, 2025 and 2024 were NT\$2,372 thousand, NT\$2,303 thousand, NT\$3,956 thousand, and NT\$3,548 thousand, respectively.

As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the accounted other payables - related parties were NT\$7,767 thousand, NT\$6,468 thousand and NT\$6,204 thousand, respectively.

C. The Group engaged in charitable donation during the three and nine months ended Sept. 30, 2025 and 2024, donating NT\$200 thousand, NT\$0 thousand, NT\$200

thousand and NT\$1,980 thousand, to Taiwan Xianglong Evergreen Lohas Promotion Association. The amounts were recognized in operating expenses.

As of Dec. 31, 2024, the accounted other payables - related parties was NT\$ 1,000 thousand.

(9) Remuneration of key management personnel

	Jul. 1 to Sept. 30, 2025	Jul. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2025	Jan. 1 to Sept. 30, 2024
Short-term employee benefits	\$ 7,579	\$ 5,940	\$ 18,328	\$ 18,183
Post-employment benefits	<u>144</u>	<u>145</u>	<u>426</u>	<u>454</u>
	<u>\$ 7,723</u>	<u>\$ 6,085</u>	<u>\$ 18,754</u>	<u>\$ 18,637</u>

Remuneration to directors and other key management is decided by the Remuneration Committee in accordance with personal performance and market trend.

34. Pledged Assets

The following assets have been provided as collateral for financing loans:

	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Pledge of demand deposits (under financial assets measured at amortized cost - current)	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>

35. Significant Contingent Liabilities and Unrecognized Commitments

Unless noted in other notes, the significant commitments and contingencies of the Group at the balance sheet date are as follows:

- (1) As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the Group's opened but unspent letter of credit amount for purchase of raw materials was US\$1,182 thousand, US\$1,689 thousand and US\$1,533 thousand, respectively.
- (2) As of Sept. 30, 2025, Dec. 31, 2024 and Sept. 30, 2024, the Group's commitment amount for replacement of plant equipment and acquisition of transportation facilities was NT\$4,884 thousand, NT\$7,972 thousand and NT\$5,996 thousand, respectively.

36. Other Matters

The Nantou County Environmental Protection Bureau conducted an inspection of the pig farm jointly operated by the Company and its substantial related party, the Yun-Hui, Huang family, in 2024, which found that there was wastewater (sewage) discharge from the discharge outlet of the livestock farm. On Nov. 14, 2024, the livestock farm complied with the order Fu-Shou-Huan-Shui-Zi No. 1130265510, and cleared all raised pigs or submitted a clearance plan within 15 days from the date of service of the order. 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. The application for the resumption of operations and trial run of the livestock farm was rejected on Jun. 3, 2025, as per Document Fu-Shou-Huan-Shui-Zi No. 1140127796. The livestock farm reapplied for a second trial run to resume operations on Jul. 15, 2025, and held a review meeting for the trial run documents on Oct. 22, 2025, with the relevant review procedures still ongoing. At present, the final outcome of this event cannot be confirmed, and the Group will continue to evaluate its impact on the financial statements.

37. Material Events After the Balance Sheet Date

On Nov. 10, 2025, the Company's Board of Directors resolved to increase the capital of its subsidiary, Morn Sun Foods Corporation, by NT\$44,950 thousand based on the original structure. Additionally, the Chairman is authorized to subscribe to any unsubscribed shares, up to a total capital increase of NT\$86,000 thousand, if the remaining shareholders of the subsidiary do not participate in the capital increase.

38. Information on Foreign Currency Assets and Liabilities with Significant Impact

The information below is aggregated and presented in foreign currencies other than the Group's functional currency. The exchange rates disclosed refer to the exchange rates of such foreign currencies to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

Sept. 30, 2025

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary item</u>			
USD	\$ 2	30.445 (USD: NTD)	\$ 71
<u>Non-monetary item</u>			
USD	2,066	30.445 (USD: NTD)	62,941
<u>Foreign currency liabilities</u>			
<u>Monetary item</u>			
USD	3,304	30.445 (USD: NTD)	100,581

Dec. 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary item</u>			
USD	\$ 344	32.785 (USD: NTD)	\$ 11,264
<u>Non-monetary item</u>			
USD	1,682	32.785 (USD: NTD)	55,204
<u>Foreign currency liabilities</u>			
<u>Monetary item</u>			
USD	1,651	32.785 (USD: NTD)	54,131

Sept. 30, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary item</u>			
USD	\$ 320	31.650 (USD: NTD)	\$ 10,115
<u>Non-monetary item</u>			
USD	2,095	31.650 (USD: NTD)	66,281
<u>Foreign currency liabilities</u>			
<u>Monetary item</u>			
USD	1,823	31.650 (USD: NTD)	58,045

The foreign currency exchange gains (losses) (realized and unrealized) with a significant impact are as follows:

<u>Jul. 1 to Sept. 30, 2025</u>			<u>Jul. 1 to Sept. 30, 2024</u>	
		Net gains (losses) on foreign currency exchange		
<u>Foreign currency</u>	<u>Exchange rate</u>		<u>Exchange rate</u>	Net gains (losses) on foreign currency exchange
USD	29.950(USD: NTD)	(\$ <u>1,872</u>)	32.301(USD: NTD)	(\$ <u>178</u>)
<u>Jan. 1 to Sept. 30, 2025</u>			<u>Jan. 1 to Sept. 30, 2024</u>	
		Net gains (losses) on foreign currency exchange		
<u>Foreign currency</u>	<u>Exchange rate</u>		<u>Exchange rate</u>	Net gains (losses) on foreign currency exchange
USD	30.368(USD: NTD)	(\$ <u>337</u>)	32.034(USD: NTD)	(\$ <u>3,175</u>)

39. Additional Disclosures

- (1) Information on significant transactions:
 - A. Loaning funds to others: None.
 - B. Endorsement/Guarantee Provided: Table 1.
 - C. Marketable significant securities held at the end of period (excluding investment in subsidiaries and associates): Table 2.
 - D. The purchase and sale of goods with related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
 - E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
 - F. Others: Business relationship and material transactions between the parent company and its subsidiaries: Table 3.
- (2) Information on investees: Table 4.
- (3) Information on investments in Mainland China: None.

40. Segments Information

This refers to the information provided to the main operational decision makers to allocate resources and measure departmental performance, focusing on the types of goods or services delivered or provided. Reportable segments of the Group are the Feed Segment, Egg Product Segment, Breeding Segment and other segments.

Segment revenue and operating results

	Feed segment	Egg product segment	Breeding segment	Other segments	Total
<u>Jan. 1 to Sept. 30, 2025</u>					
Revenue from external customers	\$ 1,052,690	\$ 718,223	\$ 269,832	\$ 4,540	\$ 2,045,285
Inter-segment revenue	89,033	8,436	-	-	97,469
Segment revenue	<u>\$ 1,141,723</u>	<u>\$ 726,659</u>	<u>\$ 269,832</u>	<u>\$ 4,540</u>	2,142,754
Internal write-off					(97,469)
Consolidated revenue					2,045,285
Segment gains and losses	<u>\$ 110,697</u>	(<u>\$ 9,857</u>)	<u>\$ 25,167</u>	<u>\$ 2,842</u>	128,849
Remuneration of key management personnel					(18,754)
Share of profit or loss on associates accounted for using equity method					47,437
Interest income					2,696
Other income					6,748
Other gains and losses					(13,338)
Financial costs					(4,835)
Net income before tax					<u>\$ 175,479</u>
<u>Jan. 1 to Sept. 30, 2024</u>					
Revenue from external customers	\$ 1,196,727	\$ 676,020	\$ 256,205	\$ 3,937	\$ 2,132,889
Inter-segment revenue	86,255	99	-	-	86,354
Segment revenue	<u>\$ 1,282,982</u>	<u>\$ 676,119</u>	<u>\$ 256,205</u>	<u>\$ 3,937</u>	2,219,243

	<u>Feed segment</u>	<u>Egg product segment</u>	<u>Breeding segment</u>	<u>Other segments</u>	<u>Total</u>
Internal write-off					(<u>86,354</u>)
Consolidated revenue					2,132,889
Segment gains and losses	<u>\$ 140,508</u>	(<u>\$ 29,493</u>)	<u>\$ 19,836</u>	<u>\$ 2,551</u>	133,402
Remuneration of key management personnel					(18,637)
Share of profit or loss on associates accounted for using equity method					32,174
Interest income					2,446
Other income					4,555
Other gains and losses					(2,330)
Financial costs					(<u>6,713</u>)
Net income before tax					<u>\$ 144,897</u>

Sales between segments are priced based on market price.

Segment gains refer to the profits earned by each segment and do not include the apportionable remuneration of key management, the share of associates' gains and losses recognized by the equity method, interest income, other income, other gains and losses, and financial costs.

Morn Sun Feed Mill Corp. and its Subsidiaries
Endorsement/Guarantee Provided
Jan. 1 to Sept. 30, 2025

Table 1Unit: NTD thousand, unless otherwise specified

No. (Note 1)	Name of endorser/ guarantor	Party endorsed/guaranteed		Limits on endorsement/ guarantee amount provided to each guaranteed party (Note 3)	Maximum endorsement/ guarantee balance for the period	Endorsement/ guarantee balance at the end of period	Amount actually drawn	Amount of property-backed endorsements/ guarantees	Ratio of accumulated endorsement/ guarantee amount to the net equity in the latest financial statements (%)	Maximum endorsement/ guarantee to be provided (Note 3)	Endorsement/ guarantee by parent company to subsidiaries	Endorsement/ guarantee by subsidiaries to parent company	Endorsement/ guarantee to entities in Mainland China	Remarks
		Company name	Relationship (Note 2)											
0	Morn Sun Feed Mill Corp.	Morn Sun Foods Corporation	2	\$ 145,296	\$ 153,000	\$ 140,000	\$ 113,000	\$ -	9.64%	\$ 581,186	Y	N	N	—

Note 1: The description of the No. field is as follows:

- (1) The issuer should be coded “0”.
- (2) The subsidiaries are coded starting from “1” in the order.

Note 2: There are seven types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the code:

- (1) A company with which it does business.
- (2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.
- (4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount of the Company's endorsements/guarantees provided to external parties shall not exceed 40% of its current net worth. The limit of endorsements/guarantees for a single enterprise shall not exceed 10% of the Company's current net worth, while the percentage is 20% for a subsidiary, in which the Company directly holds more than 90% of its common stock equity. The net worth is based on the most recent financial statement audited or reviewed by CPAs.

Note 4: The Company's maximum endorsement/guarantee balance for its subsidiary, Morn Sun Foods Corporation, exceeded the limit. The Company has formulated an improvement plan and submitted it to the Audit Committee and Board of Directors on Mar. 14, 2025, and will continue to track the implementation of the improvement plan in each quarter.

Morn Sun Feed Mill Corp. and its Subsidiaries
Marketable significant securities held at the end of period (excluding investment in subsidiaries and associates)
Sept. 30, 2025

Table 2 Unit: NTD thousand, unless otherwise specified

Company	Type and name of marketable securities	Marketable securities relationship with securities issuer	Account subject	End of period				Remarks
				Number of units (number of shares/number of lots)	Carrying amount	Shareholding ratio (%)	Fair value	
Morn Sun Feed Mill Corp.	Stocks							
	Formosa Oilseed Processing Co., Ltd.	The Chairman of the Company is the director of that company	Financial assets at FVTOCI - current	4,856,383	\$ 144,235	2.11	\$ 144,235	Note 1
	Yulon Finance Corporation	—	Financial assets at FVTPL - current	45,564	4,625	0.01	4,625	Note 1
	Great Wall Enterprise Co., Ltd.	—	Financial assets at FVTPL - current	500,000	25,900	0.06	25,900	Note 1
	FineTek Co., Ltd.	—	Financial assets at FVTPL - current	40,000	4,720	0.07	4,720	Note 1
	Fund beneficiary certificate							
	Yuanta Taiwan Value High Dividend ETF	—	Financial assets at FVTPL - current	500,000	4,715	-	4,715	Note 1
	Yuanta Premium Bond ETF Fund	—	Financial assets at FVTPL - current	500,000	4,555	-	4,555	Note 1
	Bonds							
	Mercedes-Benz Finance North America LLC	—	Financial assets measured at amortized cost - non-current	330	10,265	-	10,175	Note 2
	Altria Group, Inc.	—	Financial assets at FVTPL - current	100	3,142	-	3,142	Note 1
	Philip Morris International Inc.	—	Financial assets at FVTPL - current	830	26,144	-	26,144	Note 1
	Structured commodity							
	Cooperative Bank USD Financial Bond - SBAE	—	Financial assets at FVTPL - current	500	14,710	-	14,710	Note 1
	Cooperative Bank USD Financial Bond - SBAG	—	Financial assets at FVTPL - current	300	8,680	-	8,680	Note 1

Note 1: Fair value is calculated based on the closing price and reference market value as of Sept. 30, 2025.

Note 2: Please refer to Note 32(1) for measurement of fair value.

Note 3: For information on investments in subsidiaries and associates, please refer to Table 4.

Morn Sun Feed Mill Corp. and its Subsidiaries
Business relationship and material transactions between the parent company and its subsidiaries
Jan. 1 to Sept. 30, 2025

Table 3

Unit: NTD thousand, unless otherwise specified

No. (Note 1)	Name of counterparty	Transaction counterparty	Relationship to the counterparty (Note 2)	Transaction details			
				Account	Amount	Transaction terms	% of total sales or assets (Note 3)
0	Morn Sun Feed Mill Corp.	Morn Sun Foods Corporation	1	Sales revenue	\$ 7,784	30 days for monthly payment	0.38%
0	Morn Sun Feed Mill Corp.	Morn Sun Foods Corporation	1	Endorsement/guarantee	140,000		6.60%
1	Morn Sun Foods Corporation	Morn Sun Feed Mill Corp.	2	Sales revenue	645	30 days for monthly payment	0.00%
1	Morn Sun Foods Corporation	Morn Sun Feed Mill Corp.	2	Accounts receivable	458	30 days for monthly payment	0.00%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is “0”
- (2) The subsidiaries are numbered in order starting from “1”.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: For the calculation of the percentage of transaction value to consolidated total revenue or total assets, balance sheet items are calculated as the ending balance as a percentage of consolidated total assets; income statement items are calculated as the accumulated interim amount as a percentage of consolidated total revenue.

Morn Sun Feed Mill Corp. and its Subsidiaries
Information on the investees, location and so on
Jan. 1 to Sept. 30, 2025

Table 4Unit: NTD thousand, unless otherwise specified

Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Held at the end of period			Gains (losses) on investee in this period	Investment gains (losses) recognized for this period	Remarks
				End of current period	End of previous year	Number of shares (shares)	Percentage (%)	Carrying amount			
Morn Sun Feed Mill Corp.	Top Food Industry Corporation	Taichung City	Production and sales business of flour and agricultural products	\$ 306,720	\$ 306,720	34,616,097	36.84%	\$ 467,231	\$ 128,758	\$ 47,437	Note 1
	Morn Sun Foods Corporation	Changhua County	Selection, washing, packaging and sales of eggs for feeding of domestic livestock and poultry, and services of agricultural products and animal husbandry	191,450	191,450	6,612,740	58.04%	59,547	(11,203)	(6,502)	Notes 2 & 3

Note 1: It was calculated based on financial statements not reviewed by a CPA.
Note 2: It is calculated based on the financial statements having been audited by CPAs.
Note 3: It has been consolidated and written off at the time of preparing this consolidated financial statements.