

**CHAROEN POKPHAND ENTERPRISE
(TAIWAN) CO., LTD.**

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS’

REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Evaluation of net realisable value of inventories

Description

Refer to Note 4(11) for accounting policies adopted for the valuation of inventories, Note 5(2) for uncertainty of accounting estimates and assumptions of valuation of inventories, and Note 6(5) for details of inventories. As at December 31, 2025, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$2,038,786 thousand and NT\$3,700 thousand, respectively.

The main activities of the Company are the manufacturing and sales of animal feeds, fresh and processed meat products. As the market prices are affected by changes in macro-economic environment, there is a higher risk of inventory valuation losses. In addition, the evaluation of net realisable value of inventories is subject to management's judgement, and considering that feeds, fresh and processed meat products comprise most of the Company's inventories which is significant to the financial statements, the evaluation of net realisable value of inventories was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Based on our understanding of the Company's operations and related industry, assessed the reasonableness of related policies and procedures applied to the net realisable value of inventories and ascertained the consistent application.
2. Obtained statements of net realisable value of inventories as at the balance sheet date, validated source data of merchandise prices and recalculated the provision for inventory valuation losses in order to confirm consistent application of respective procedures and policies.

Measurement of biological assets

Description

Refer to Note 4(13) for accounting policies adopted for biological assets, Note 5(2) for uncertainty of accounting estimates and assumptions in measuring fair value of biological assets, and Note 6(7) for details of biological assets. As at December 31, 2025, the carrying amount of biological assets amounted to NT\$2,794,112 thousand.

The Company's biological assets is mainly comprised of broiler chicken, breeder chicken, fattening swine and breeder swine, etc. Except when the fair value cannot be reliably measured, biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period. As the market prices of fresh, processed meat, livestock and poultry are affected by animal epidemic and market demand in Taiwan, biological assets with active market prices have a higher risk of fluctuations in fair value. Since the amount of biological assets is significant to the financial statements and the methods adopted in measuring each category of biological assets, market prices applied and items accounted for as costs to sell are all subject to management's judgement and with high uncertainty, the measurement of biological assets was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Based on our understanding of the Company's operations and related industry, assessed the reasonableness of related policies and procedures applied in measuring biological assets, and ascertained the consistent application.
2. As at the balance sheet date, ascertained that all the active market prices information are available and reliable for biological assets measured at fair value less costs to sell. Also, validated source data of active market prices and the reasonableness of the major components of costs to sell.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CPA Liao, Fu-Ming

CPA Tsai, Pei-Hua

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 25, 2026

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 237,630	1	\$ 163,254	1
1110	Current financial assets at fair value through profit or loss	6(2)	846,097	3	358,293	1
1150	Notes receivable, net	6(4)	312,310	1	281,658	1
1160	Notes receivable - related parties	7	346	-	-	-
1170	Accounts receivable, net	6(4)	2,323,645	8	2,108,159	8
1180	Accounts receivable - related parties	7	115,172	-	208,679	1
1200	Other receivables		34,427	-	17,251	-
1210	Other receivables - related parties	7	241	-	3,603	-
130X	Inventories, net	6(5)	2,035,086	7	1,656,198	6
1400	Biological assets - current	6(7)	2,187,463	7	1,806,994	7
1410	Prepayments		438,104	2	371,268	1
1470	Other current assets	6(1) and 8	28,000	-	27,650	-
11XX	Total current assets		<u>8,558,521</u>	<u>29</u>	<u>7,003,007</u>	<u>26</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	133,500	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,582,916	5	1,701,509	6
1550	Investments accounted for using equity method	6(6)	2,851,104	10	2,523,898	10
1600	Property, plant and equipment, net	6(8) and 8	15,609,533	52	14,330,278	53
1755	Right-of-use assets	6(9)	338,981	1	358,621	1
1780	Intangible assets	6(10)	2,524	-	19,206	-
1830	Biological assets - non-current	6(7)	606,649	2	573,144	2
1840	Deferred income tax assets	6(27)	45,710	-	37,794	-
1975	Net defined benefit asset, non-current	6(15)	29,941	-	24,793	-
1990	Other non-current assets, others		169,613	1	189,695	1
15XX	Total non-current assets		<u>21,236,971</u>	<u>71</u>	<u>19,892,438</u>	<u>74</u>
1XXX	Total assets		<u>\$ 29,795,492</u>	<u>100</u>	<u>\$ 26,895,445</u>	<u>100</u>

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 2,800,000	9	\$ 2,750,000	10
2110	Short-term notes and bills payable	6(13)	1,597,249	5	1,758,243	7
2150	Notes payable		135,504	1	103,635	-
2160	Notes payable - related parties	7	42	-	79	-
2170	Accounts payable		1,104,099	4	1,048,759	4
2180	Accounts payable - related parties	7	33,208	-	57,922	-
2200	Other payables		1,159,698	4	959,122	4
2220	Other payables - related parties	7	301,829	1	14,169	-
2230	Current income tax liabilities		541,699	2	280,073	1
2280	Current lease liabilities		54,744	-	52,164	-
2320	Long-term liabilities, current portion	6(14) and 8	879,286	3	1,199,286	4
21XX	Total current liabilities		<u>8,607,358</u>	<u>29</u>	<u>8,223,452</u>	<u>30</u>
Non-current liabilities						
2540	Long-term borrowings	6(14) and 8	8,373,096	28	7,602,381	28
2570	Deferred income tax liabilities	6(27)	96,968	-	86,153	1
2580	Non-current lease liabilities		277,327	1	299,001	1
25XX	Total non-current liabilities		<u>8,747,391</u>	<u>29</u>	<u>7,987,535</u>	<u>30</u>
2XXX	Total liabilities		<u>17,354,749</u>	<u>58</u>	<u>16,210,987</u>	<u>60</u>
Equity attributable to owners of the parent						
Share capital						
3110	Common stock	6(16)	2,947,901	10	2,947,901	11
Capital surplus						
3200	Capital surplus	6(17)	37,072	-	12,238	-
Retained earnings						
3310	Legal reserve	6(18)	1,763,324	6	1,567,064	6
3350	Unappropriated retained earnings		6,462,754	22	4,901,661	18
Other equity interest						
3400	Other equity interest		1,229,692	4	1,255,594	5
3XXX	Total equity		<u>12,440,743</u>	<u>42</u>	<u>10,684,458</u>	<u>40</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 29,795,492</u>	<u>100</u>	<u>\$ 26,895,445</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 26,638,817	100	\$ 26,266,402	100
5000	Operating costs	6(5)(25)(26) and 7	(20,859,795)	(78)	(21,870,928)	(83)
5950	Net operating margin		<u>5,779,022</u>	<u>22</u>	<u>4,395,474</u>	<u>17</u>
	Operating expenses	6(25)(26) and 7				
6100	Selling and marketing expenses		(1,258,775)	(5)	(1,214,930)	(5)
6200	General and administrative expenses		(825,495)	(3)	(859,803)	(3)
6450	Expected credit impairment (loss) gain	12(2)	(2,968)	-	904	-
6000	Total operating expenses		<u>(2,087,238)</u>	<u>(8)</u>	<u>(2,073,829)</u>	<u>(8)</u>
6500	Other income and expenses, net	6(7)(20)	<u>69,328</u>	-	<u>35,813</u>	-
6900	Operating profit		<u>3,761,112</u>	<u>14</u>	<u>2,357,458</u>	<u>9</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	3,602	-	2,847	-
7010	Other income	6(22) and 7	152,950	1	60,600	-
7020	Other gains and losses	6(8)(11)(23)	72,775	-	212,871	1
7050	Finance costs	6(24)	(250,004)	(1)	(230,374)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	<u>101,403</u>	-	<u>(2,038)</u>	-
7000	Total non-operating income and expenses		<u>80,726</u>	-	<u>43,906</u>	-
7900	Profit before income tax		<u>3,841,838</u>	<u>14</u>	<u>2,401,364</u>	<u>9</u>
7950	Income tax expense	6(27)	(778,064)	(3)	(471,518)	(2)
8200	Profit for the year		<u>\$ 3,063,774</u>	<u>11</u>	<u>\$ 1,929,846</u>	<u>7</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plan	6(15)	(\$ 12,780)	-	\$ 33,505	-
8316	Unrealised gain or loss on financial assets at fair value through other comprehensive income		15,306	-	328,891	1
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	74,295	-	231,111	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(505)	-	(72,479)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		<u>76,316</u>	-	<u>521,028</u>	<u>2</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences of foreign operations	6(6)	(82,083)	-	101,625	1
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(82,083)	-	101,625	1
8300	Total other comprehensive (loss) income for the year		<u>(\$ 5,767)</u>	-	<u>\$ 622,653</u>	<u>3</u>
8500	Total comprehensive income for the year		<u>\$ 3,058,007</u>	<u>11</u>	<u>\$ 2,552,499</u>	<u>10</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 10.39</u>		<u>\$ 6.55</u>	
9850	Diluted earnings per share		<u>\$ 10.38</u>		<u>\$ 6.54</u>	

The accompanying notes are an integral part of these parent company only financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Share capital - common stock	Capital surplus	Retained Earnings		Other Equity Interest		Total equity
				Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2024								
Balance at January 1, 2024		\$ 2,947,901	\$ 10,534	\$ 1,340,668	\$ 4,786,803	(\$ 10,807)	\$ 678,225	\$ 9,753,324
Profit for the year		-	-	-	1,929,846	-	-	1,929,846
Other comprehensive income		-	-	-	28,037	101,625	492,991	622,653
Total comprehensive income		-	-	-	1,957,883	101,625	492,991	2,552,499
Appropriations of 2023 earnings:	6(18)							
Legal reserve		-	-	226,396	(226,396)	-	-	-
Cash dividends		-	-	-	(1,621,346)	-	-	(1,621,346)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	6,440	-	(6,440)	-
Change in ownership interests in subsidiaries	6(6)	-	-	-	(1,723)	-	-	(1,723)
Change in other capital surplus		-	1,704	-	-	-	-	1,704
Balance at December 31, 2024		\$ 2,947,901	\$ 12,238	\$ 1,567,064	\$ 4,901,661	\$ 90,818	\$ 1,164,776	\$ 10,684,458
2025								
Balance at January 1, 2025		\$ 2,947,901	\$ 12,238	\$ 1,567,064	\$ 4,901,661	\$ 90,818	\$ 1,164,776	\$ 10,684,458
Profit for the year		-	-	-	3,063,774	-	-	3,063,774
Other comprehensive income (loss)		-	-	-	(9,772)	(82,083)	86,088	(5,767)
Total comprehensive income (loss)		-	-	-	3,054,002	(82,083)	86,088	3,058,007
Appropriations of 2024 earnings:	6(18)							
Legal reserve		-	-	196,260	(196,260)	-	-	-
Cash dividends		-	-	-	(1,326,556)	-	-	(1,326,556)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	29,907	-	(29,907)	-
Change in ownership interests in subsidiaries	6(6)	-	19,007	-	-	-	-	19,007
Change in other capital surplus		-	5,827	-	-	-	-	5,827
Balance at December 31, 2025		\$ 2,947,901	\$ 37,072	\$ 1,763,324	\$ 6,462,754	\$ 8,735	\$ 1,220,957	\$ 12,440,743

The accompanying notes are an integral part of these parent company only financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 3,841,838	\$ 2,401,364
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for (Gain on reversal of) loss on inventory	6(5)	200	(4,100)
Depreciation	6(8)(25)	930,773	948,690
Depreciation of right-of-use assets	6(9)(25)	61,153	59,972
Amortisation	6(25)	20,663	21,021
Expected credit impairment loss (gain)	12(2)	2,968	(904)
Change in fair value less cost to sell of biological assets	6(7)(20)	(69,328)	(35,813)
Gain on financial assets at fair value through profit or loss (unrealised)	6(2)(23)	(1,878)	(27,227)
Gain on financial assets at fair value through profit or loss (realised)	6(2)(23)	(63,837)	(153,014)
Loss on financial assets at fair value through profit or loss	6(2)(23)	-	10,500
Interest expense	6(24)	250,004	230,374
Interest income	6(21)	(3,602)	(2,847)
Dividend income	6(22)	(139,972)	(48,601)
Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	(101,403)	2,038
Loss on disposal of property, plant and equipment	6(23)	10,215	1,308
Impairment losses	6(8)(11)	22,368	-
Gain arising from lease modifications	6(23)	(9)	(44)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(30,652)	69,820
Notes receivable - related parties		(346)	-
Accounts receivable		(218,454)	153,926
Accounts receivable - related parties		93,507	(77,124)
Other receivables		(16,967)	(1,409)
Other receivables - related parties		3,362	(3,260)
Inventories		(379,088)	522,072
Biological assets		(344,646)	19,952
Prepayments		(66,750)	(29,331)
Net defined benefit asset		(17,928)	(24,793)
Changes in operating liabilities			
Notes payable		31,869	(496,114)
Notes payable - related parties		(37)	(33,622)
Accounts payable		55,340	283,762
Accounts payable - related parties		(24,714)	26,323
Other payables		113,269	3,052
Other payables - related parties		13,160	4,203
Net defined benefit liability		-	5,995
Cash inflow generated from operations		3,971,078	3,826,169
Cash paid for income tax		(514,044)	(551,481)
Net cash flows from operating activities		3,457,034	3,274,688

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss-current		(\$ 910,759)	(\$ 872,181)
Proceeds from disposal of financial assets at fair value through profit or loss		488,670	694,129
Acquisition of financial assets at fair value through other comprehensive income		-	(154,127)
Proceeds from disposal of financial assets at fair value through other comprehensive income		133,899	58,569
Increase in other current assets		(350)	(18,000)
Acquisition of investment accounted for using the equity method	6(6)	(217,233)	(273,410)
Acquisition of property, plant and equipment	6(29)	(1,897,949)	(2,424,497)
Proceeds from disposal of property, plant and equipment		19,183	10,432
Acquisition of intangible assets	6(10)	(965)	(1,914)
Decrease (increase) in other non-current assets		17,066	(51,794)
Cash receipt for interest		3,393	2,744
Cash receipt for dividends		276,120	182,171
Net cash flows used in investing activities		<u>(2,088,925)</u>	<u>(2,847,878)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings		50,000	(284,040)
(Decrease) increase in short-term notes and bills payable		(160,994)	779,838
Proceeds from long-term borrowings		15,550,000	14,500,000
Payment of long-term borrowings		(15,099,285)	(13,499,286)
Payment of lease liabilities	6(9)	(60,599)	(50,463)
Cash payment for interest		(252,126)	(228,964)
Cash dividends paid to owners of parent	6(18)	(1,326,556)	(1,621,346)
Other financing activities		5,827	1,704
Net cash flows used in financing activities		<u>(1,293,733)</u>	<u>(402,557)</u>
Net increase in cash and cash equivalents		74,376	24,253
Cash and cash equivalents at beginning of year	6(1)	163,254	139,001
Cash and cash equivalents at end of year	6(1)	<u>\$ 237,630</u>	<u>\$ 163,254</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (the “Company”) was incorporated on August 22, 1977 as a company limited by shares under the Statute for Investment by Overseas Chinese and the provisions of the Company Act of the Republic of China. The main activities of the Company are the manufacture and sales of animal feeds, livestock, chicken and processed meat products. The Company’s common stock has been traded on the Taiwan Stock Exchange since July 27, 1987. Charoen Pokphand Foods Public Company Limited (“CPF”), which was incorporated in Thailand, directly and indirectly holds 39% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on February 25, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

The amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- (d) Biological assets measured at fair value less costs to sell.

B. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

A. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

B. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

C. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets held primarily for the purpose of trading;
- (c) Assets expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities arising primarily from trading activities;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period. Terms of a liabilities that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

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

(10) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(12) Investments accounted for using equity method / subsidiaries and joint ventures

- A. Subsidiaries and joint ventures are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries and joint ventures are accounted for using equity method in these parent company only financial statements.
- B. In the case that a subsidiary or a joint venture issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the subsidiary or the joint venture but maintains significant influence on the subsidiary or the joint venture, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the subsidiary or the joint venture, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the subsidiary or the joint venture are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- C. Unrealised gains on transactions between the Company and its subsidiaries or joint ventures are eliminated. The accounting policies of the subsidiaries or joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- D. The Company's share of its subsidiaries' or joint ventures' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The company's share of losses in the joint venture exceeds its interest in the venture, including any other unsecured receivables. The company does not recognize any further losses unless the company has legal obligations, presumed obligations, or has already made payments on behalf of the joint venture.
- E. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.
- F. At the balance sheet date, the Company performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(13) Biological assets

Biological assets are measured at their fair value less costs to sell. Except for the case where the fair value cannot be measured reliably, they are measured at its cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Land improvements	3~30 years
Buildings and structures	3~60 years
Machinery and equipment	2~20 years
Transportation equipment	6 years
Leasehold improvements	3~20 years
Other equipment	3~20 years

(15) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability; and
- (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes and accounts payable are those resulting from operating and non-operating activities.

B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior period. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's balance sheet. However, the deferred tax is accounted of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells animal feeds, cooked food, agricultural livestock products and related consumable food products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from sales of goods is recognised based on the price specified in the contract, net of the estimated volume discounts, sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts, sales discounts and allowances using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A deduction of accounts receivable is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 3 to 180 days, which is consistent with market practice.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$2,035,086.

B. Measurement of fair value of biological assets

Except when fair value cannot be reliably measured, biological assets should be measured at fair value less costs to sell on initial recognition and at the end of each reporting period. The Company has to identify whether the active market prices are available for each category of biological assets, to determine the relevance between the nature of biological assets and the chosen market, and to decide which major items should be accounted for as costs to sell. The Company then estimates the fair value less costs to sell based on the information mentioned above. Any fluctuations in market price and costs to sell could materially affect the carrying amount of biological assets.

As of December 31, 2025, the carrying amount of biological assets was \$2,794,112.

C. Property, plant and equipment

The Company, following a resolution by the Board of Directors, has reviewed and assessed the economic benefits and depreciation of certain buildings and structures, machinery, and other equipment. As a result, there are plans to adjust the estimated useful lives of some land improvements, buildings and structures, machinery, and other equipment to better reflect their actual useful lives and ensure a more reasonable allocation of costs. This adjustment aims to provide a more reliable and relevant information. Consequently, starting on March 1, 2025, the useful lives of certain land improvements, buildings and structures, and machinery will be revised from a range of 4 to 20 years to 20 to 30 years. The impact of this change in estimate on depreciation expense for 2025 and subsequent years is as follows:

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Succeeding years</u>
(Decrease) increase in depreciation	<u>(\$ 120,372)</u>	<u>(\$ 144,447)</u>	<u>(\$ 144,447)</u>	<u>\$ 409,266</u>

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 6,377	\$ 5,333
Checking accounts	1,993	3,000
Demand deposits	229,260	154,921
	<u>\$ 237,630</u>	<u>\$ 163,254</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2025 and 2024, the Company has restricted cash and cash equivalents pledged as collateral totalling \$28,000 and \$27,650, respectively, classified as other current financial assets and shown as 'other current assets'. Refer to Note 8 for details.

(2) Financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 816,992	\$ 331,066
Valuation adjustment	29,105	27,227
	<u>\$ 846,097</u>	<u>\$ 358,293</u>
Non-current items:		
Financial assets designated as at fair value through profit or loss		
Unlisted stocks	\$ -	\$ 150,000
Valuation adjustment	-	(16,500)
	<u>\$ -</u>	<u>\$ 133,500</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments (unrealised)	\$ 1,878	\$ 27,227
Equity instruments (realised)	63,837	153,014
Financial assets designated as at fair value through profit or loss		
Equity instruments	-	(10,500)
	<u>\$ 65,715</u>	<u>\$ 169,741</u>
Dividend income recognised in profit or loss held at end of year	\$ 29,661	\$ 2,168
Derecognised during the year	-	15,180
	<u>\$ 29,661</u>	<u>\$ 17,348</u>

B. The Company has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,481,474	\$ 1,577,990
Valuation adjustment	101,442	123,519
	<u>\$ 1,582,916</u>	<u>\$ 1,701,509</u>

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 12,245	\$ 263,113
<u>Equity instruments at fair value through other comprehensive income</u>		
Cumulative gains reclassified to retained earnings due to derecognition	(\$ 29,907)	(\$ 6,440)
Dividend income recognised in profit or loss held at end of year	\$ 105,118	\$ 31,253
Derecognised during the year	5,193	-
	<u>\$ 110,311</u>	<u>\$ 31,253</u>

B. The Company's holdings of the aforementioned listed shares comprise shares of its ultimate parent company, CPF, listed and traded on the Stock Exchange of Thailand (SET), and China CITIC shares listed in Hong Kong.

C. The Company has decided to categorise its equity investments, deemed strategic and providing stable dividend income, as financial assets measured at fair value through other comprehensive income. The fair value of such investments amounted to \$1,582,916 and \$1,701,509 as at December 31, 2025 and 2024, respectively.

D. The Company has no financial assets at fair value through other comprehensive income pledged to others.

(4) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 312,310	\$ 281,658
Accounts receivable	\$ 2,353,715	\$ 2,136,781
Less: Allowance for uncollectible accounts	(30,070)	(28,622)
	<u>\$ 2,323,645</u>	<u>\$ 2,108,159</u>

A. The aging analysis of accounts and notes receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	\$ 2,456,857	\$ 2,300,635
Up to 120 days	185,283	92,358
121 to 365 days	191	17
Over one year	23,694	25,429
	<u>\$ 2,666,025</u>	<u>\$ 2,418,439</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balance of accounts receivable and notes receivable from contracts with customers amounted to \$2,642,185.
- C. The credit quality of accounts receivable was in the following category based on the Company's credit quality control policy:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
With guarantee	\$ 258,397	\$ 216,329
Without guarantee	<u>2,095,318</u>	<u>1,920,452</u>
	<u>\$ 2,353,715</u>	<u>\$ 2,136,781</u>

The Company holds commercial papers, real estate, guarantee deposits and deposits as collateral for accounts receivable.

- D. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$312,310 and \$281,658, respectively, while the amount that best represents the Company's accounts receivable were \$2,323,645 and \$2,108,159, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 1,290,279	\$ -	\$ 1,290,279
Packing supplies	25,377	-	25,377
Work in progress	40,831	-	40,831
Finished goods	<u>682,299</u>	<u>(3,700)</u>	<u>678,599</u>
	<u>\$ 2,038,786</u>	<u>(\$ 3,700)</u>	<u>\$ 2,035,086</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 1,045,401	\$ -	\$ 1,045,401
Packing supplies	29,296	-	29,296
Work in progress	40,581	-	40,581
Finished goods	<u>544,420</u>	<u>(3,500)</u>	<u>540,920</u>
	<u>\$ 1,659,698</u>	<u>(\$ 3,500)</u>	<u>\$ 1,656,198</u>

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2025	2024
Cost of goods sold	\$ 20,855,317	\$ 21,871,278
Loss (gain on reversal of loss) on decline in market value	200 (4,100)
Others	4,278	3,750
	<u>\$ 20,859,795</u>	<u>\$ 21,870,928</u>

- A. The cost of goods sold includes the cost of selling biological assets.
- B. Others pertain mainly to gain and loss on physical inventory count and income from disposal of leftover and scraps.
- C. Due to fluctuations in market prices of certain finished products, the net realisable value of the inventory has changed, resulting in an increase or decrease in the cost of goods sold for the company.

(6) Investments accounted for using equity method

- A. Details of investments accounted for using equity method-subidiaries and joint ventures are provided as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Related Parties</u>		
Plenty Type Limited (Cayman Islands)	\$ 1,671,128	\$ 1,680,893
Charoen Pokphand (Taiwan) Corp., Ltd.	49,717	47,450
Arbor Acres Taiwan Co., Ltd.	100,635	98,196
Rui Mu Foods Co., Ltd. (Rui Mu)	380,158	107,651
Rui Fu Foods Co., Ltd. (Rui Fu)	331,369	286,685
<u>Joint Ventures</u>		
Feng Sheng Livestock Co., Ltd. (Feng Sheng)	318,097	303,023
	<u>\$ 2,851,104</u>	<u>\$ 2,523,898</u>

- B. Share of profit (loss) of subsidiaries and joint ventures accounted for using equity method:

	For the years ended December 31,	
	2025	2024
Plenty Type Limited (Cayman Islands)	\$ 99,173	\$ 28,505
Charoen Pokphand (Taiwan) Corp., Ltd.	14,366	12,899
Arbor Acres Taiwan Co., Ltd.	25,336	22,601
Rui Mu Foods Co., Ltd.	(46,230)	(16,953)
Rui Fu Foods Co., Ltd.	(6,316)	(38,303)
Feng Sheng Livestock Co., Ltd.	15,074	(10,787)
	<u>\$ 101,403</u>	<u>(\$ 2,038)</u>

C. Share of other comprehensive income (loss) of subsidiaries accounted for using equity method:

Components of other comprehensive income (loss) that will not be reclassified to profit or loss

	For the years ended December 31,	
	2025	2024
Plenty Type Limited (Cayman Islands)	\$ 73,843	\$ 229,878
Charoen Pokphand (Taiwan) Corp., Ltd.	120	615
Arbor Acres Taiwan Co., Ltd.	335	625
Rui Mu Foods Co., Ltd.	(3)	(7)
	<u>\$ 74,295</u>	<u>\$ 231,111</u>

Items may be subsequently reclassified to profit or loss

	For the years ended December 31,	
	2025	2024
Plenty Type Limited (Cayman Islands)	(\$ 82,083)	\$ 101,625

D. Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2025.

E. Joint venture

(a) The basic information of the joint venture that is material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2025	December 31, 2024		
Feng Sheng Livestock Co., Ltd.	Taiwan	50%	50%	Deemed strategic	Equity method

(b) The summarised financial information of the joint venture that is material to the Company is as follows:

Balance sheet

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 132,440	\$ 269,457
Other current assets	59,150	158,486
Current assets	191,590	427,943
Non-current assets	1,088,422	1,178,820
Total assets	1,280,012	1,606,763
Current financial liabilities (not including accounts payable, other payables and provision)	(104,989)	(134,521)
Other current liabilities	(48,044)	(418,772)
Current liabilities	(153,033)	(553,293)
Other non-current liabilities	(490,785)	(447,424)
Non-current liabilities	(490,785)	(447,424)
Total liabilities	(643,818)	(1,000,717)
Total net assets	\$ 636,194	\$ 606,046
Carrying amount of the joint venture	\$ 318,097	\$ 303,023

Statement of comprehensive income

	For the years ended December 31,	
	2025	2024
Revenue	\$ 449,664	\$ -
Depreciation and amortisation	92,969	76,626
Interest income	2,734	270
Interest expense	16,197	7,502
Profit (loss) before income tax	37,684	(26,890)
Income tax (expense) benefit	(7,536)	5,317
Profit or loss, net of tax	30,148	(21,573)
Total comprehensive income (loss)	\$ 30,148	(\$ 21,573)

- F. In March 2024 and September 2025, the Company made two separate cash investments of \$51,000 each in its subsidiary, Rui Fu Company, acquiring 5,100,000 shares of Rui Fu Company in each instance. Additionally, in July 2024, Rui Fu Company executed a capital reduction totalling \$150,000 to offset accumulated losses.
- G. In December 2024, the Company made a cash investment of \$222,410 in Feng Sheng Company, thereby acquiring 22,241,055 shares and holding a 50% equity interest in Feng Sheng Company.
- H. In March 2024, Rui Fu Company, subsidiary, Sheng Da Foods Co.,Ltd. conducted a cash capital increase and issued new shares. The company did not subscribe according to its shareholding ratio, resulting in a net increase of 2.56% in equity, with the ownership percentage rising from 80.77% to 83.33%. This transaction led to a net decrease of \$1,723 in the equity attributable to the owners of the parent company.
- I. In July 2025, the Company acquired a 32% stake in its subsidiary, Rui Mu Company, for \$16,233 in cash. On the acquisition date, the book value of Rui Mu Company was \$35,240. This transaction resulted in an increase of \$19,007 in equity attributable to the owners of the parent company.
- J. In August 2025, the Company exercised the conversion rights of preferred shares, converting all 15,000,000 convertible preferred shares of its subsidiary, Rui Mu Company, which were originally recorded as "financial assets at fair value through profit or loss," into common shares, at a ratio of one preferred share to one common share. The original investment amount for these financial assets was \$150,000.
- K. In August 2025, the Company invested \$150,000 in cash in Rui Mu Company, acquiring 15,000,000 shares of Rui Mu Company.

(7) Biological assets

A. Biological assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Biological assets - current:</u>		
Consumable biological assets	\$ 1,764,384	\$ 1,404,743
Consumable biological assets - changes in fair value less costs to sell	202,789	133,461
Bearer biological assets	413,782	371,505
Bearer biological assets - accumulated depreciation	(193,492)	(102,715)
	<u>\$ 2,187,463</u>	<u>\$ 1,806,994</u>
<u>Biological assets - non-current:</u>		
Bearer biological assets	\$ 758,853	\$ 726,817
Bearer biological assets - accumulated depreciation	(152,204)	(153,673)
	<u>\$ 606,649</u>	<u>\$ 573,144</u>

Consumable biological assets are those that are to be harvested as agricultural products or sold as biological assets. Bearer biological assets are those other than consumable biological assets.

B. Movements of biological assets are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 2,380,138	\$ 2,364,278
Purchases	983,416	1,914,766
Costs and expenses input	9,140,624	8,289,354
Sales	(3,831,984)	(4,150,140)
Gain on change in fair value less cost to sell	69,328	35,813
Transfer to inventories	(5,912,583)	(6,037,262)
Others	(34,827)	(36,671)
At December 31	<u>\$ 2,794,112</u>	<u>\$ 2,380,138</u>

C. Biological assets are comprised of broiler chicken, breeder chicken, fattening swine, and breeder swine, etc. Biological assets, other than fattening swine which are measured at fair value less costs to sell at each reporting date, are measured at cost less accumulated depreciation and impairment losses. The fair value of fattening swine is measured using quoted market prices as references. The market prices or fair values at the present condition of breeders are unavailable due to short production cycle; the market prices or fair values at present condition of broiler chickens are difficult to obtain. The valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, diseases etc. Therefore, breeders and broiler chicken are measured using the cost approach. Cost of biological assets includes all costs incurred during the growth cycle such as cost of new-born animals, feed costs, and other farm costs. Bearer biological assets are depreciated using the straight-line method through the productive period of each biological asset. The productive period of breeder swine is approximately 24 ~ 36 months; the productive period of breeder chickens is approximately 30 ~ 52 weeks. For the years ended December 31, 2025 and 2024, depreciation expense on biological assets amounted to \$454,744 and \$430,144, respectively.

D. Estimates of physical quantities of biological assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Estimates of physical quantities (Units: heads)	<u>7,728,185</u>	<u>4,656,632</u>

E. Financial risk management policies

The Company is exposed to commodity risks arising from changes in market prices of the chickens and swine. The Company does not anticipate that the prices of the agricultural products will decline significantly in the foreseeable future and there is no available derivative or other contracts. The Company reviews the predictions of the prices of the agriculture products regularly, and considers such predictions in assessing financial risk.

(8) Property, plant and equipment

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2025</u>									
Cost	\$ 3,788,245	\$ 389,608	\$ 6,219,530	\$ 5,565,202	\$ 520,553	\$ 1,195,005	\$ 1,561,448	\$ 2,105,509	\$ 21,345,100
Accumulated depreciation and impairment	-	(139,210)	(1,970,302)	(2,975,753)	(294,552)	(867,334)	(767,671)	-	(7,014,822)
	<u>\$ 3,788,245</u>	<u>\$ 250,398</u>	<u>\$ 4,249,228</u>	<u>\$ 2,589,449</u>	<u>\$ 226,001</u>	<u>\$ 327,671</u>	<u>\$ 793,777</u>	<u>\$ 2,105,509</u>	<u>\$ 14,330,278</u>
<u>2025</u>									
Opening net book amount as at January 1	\$ 3,788,245	\$ 250,398	\$ 4,249,228	\$ 2,589,449	\$ 226,001	\$ 327,671	\$ 793,777	\$ 2,105,509	\$ 14,330,278
Additions	-	-	-	-	-	-	-	2,261,794	2,261,794
Disposals	(7,133)	(11)	(846)	(8,855)	(4,496)	(4,114)	(3,943)	-	(29,398)
Reclassifications	576,647	24,077	720,238	526,689	118,096	64,815	129,274	(2,159,836)	-
Depreciation	-	(19,047)	(294,314)	(323,703)	(78,685)	(68,809)	(146,215)	-	(930,773)
Impairment losses	-	-	(22,368)	-	-	-	-	-	(22,368)
Closing net book amount as at December 31	<u>\$ 4,357,759</u>	<u>\$ 255,417</u>	<u>\$ 4,651,938</u>	<u>\$ 2,783,580</u>	<u>\$ 260,916</u>	<u>\$ 319,563</u>	<u>\$ 772,893</u>	<u>\$ 2,207,467</u>	<u>\$ 15,609,533</u>
<u>At December 31, 2025</u>									
Cost	\$ 4,357,759	\$ 415,129	\$ 6,891,096	\$ 6,028,743	\$ 604,878	\$ 1,160,859	\$ 1,660,645	\$ 2,207,467	\$ 23,326,576
Accumulated depreciation	-	(159,712)	(2,216,790)	(3,245,163)	(343,962)	(841,296)	(887,752)	-	(7,694,675)
Accumulated impairment	-	-	(22,368)	-	-	-	-	-	(22,368)
	<u>\$ 4,357,759</u>	<u>\$ 255,417</u>	<u>\$ 4,651,938</u>	<u>\$ 2,783,580</u>	<u>\$ 260,916</u>	<u>\$ 319,563</u>	<u>\$ 772,893</u>	<u>\$ 2,207,467</u>	<u>\$ 15,609,533</u>

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2024</u>									
Cost	\$ 3,029,009	\$ 330,928	\$ 5,252,213	\$ 4,944,319	\$ 508,923	\$ 1,072,855	\$ 1,426,959	\$ 2,525,508	\$ 19,090,714
Accumulated depreciation and impairment	-	(113,375)	(1,686,191)	(2,659,796)	(248,783)	(801,517)	(661,215)	-	(6,170,877)
	<u>\$ 3,029,009</u>	<u>\$ 217,553</u>	<u>\$ 3,566,022</u>	<u>\$ 2,284,523</u>	<u>\$ 260,140</u>	<u>\$ 271,338</u>	<u>\$ 765,744</u>	<u>\$ 2,525,508</u>	<u>\$ 12,919,837</u>
<u>2024</u>									
Opening net book amount as at January 1	\$ 3,029,009	\$ 217,553	\$ 3,566,022	\$ 2,284,523	\$ 260,140	\$ 271,338	\$ 765,744	\$ 2,525,508	\$ 12,919,837
Additions	-	-	-	2,857	739	-	935	2,366,340	2,370,871
Disposals	-	-	(381)	(2,678)	(4,956)	-	(3,725)	-	(11,740)
Reclassifications	759,236	58,680	981,773	656,145	41,908	128,527	160,070	(2,786,339)	-
Depreciation	-	(25,835)	(298,186)	(351,398)	(71,830)	(72,194)	(129,247)	-	(948,690)
Closing net book amount as at December 31	<u>\$ 3,788,245</u>	<u>\$ 250,398</u>	<u>\$ 4,249,228</u>	<u>\$ 2,589,449</u>	<u>\$ 226,001</u>	<u>\$ 327,671</u>	<u>\$ 793,777</u>	<u>\$ 2,105,509</u>	<u>\$ 14,330,278</u>
<u>At December 31, 2024</u>									
Cost	\$ 3,788,245	\$ 389,608	\$ 6,219,530	\$ 5,565,202	\$ 520,553	\$ 1,195,005	\$ 1,561,448	\$ 2,105,509	\$ 21,345,100
Accumulated depreciation	-	(139,210)	(1,970,302)	(2,975,753)	(294,552)	(867,334)	(767,671)	-	(7,014,822)
	<u>\$ 3,788,245</u>	<u>\$ 250,398</u>	<u>\$ 4,249,228</u>	<u>\$ 2,589,449</u>	<u>\$ 226,001</u>	<u>\$ 327,671</u>	<u>\$ 793,777</u>	<u>\$ 2,105,509</u>	<u>\$ 14,330,278</u>

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the years ended December 31,	
	2025	2024
Amount capitalised	\$ 29,899	\$ 31,191
Interest rate range	2.03%~2.07%	1.87%~2.05%

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. As of December 31, 2025 and 2024, the Company held 166 parcels and 157 parcels of agricultural land, respectively. The carrying amounts of land registered under the title of others amounted to \$1,564,888 and \$1,422,557, respectively. The titles of these parcels of land are registered under the title of individuals, however, the Company has agreements with those individuals to pledge these agricultural land to the Company.

(9) Leasing arrangements - lessee

A. The Company leases various assets including land, buildings, and other equipment. Rental contracts are typically made for periods of 1 to 22 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2025	December 31, 2024
Land	\$ 284,307	\$ 311,283
Buildings	37,950	29,772
Other equipment	16,724	17,566
	<u>\$ 338,981</u>	<u>\$ 358,621</u>

	Depreciation charge	
	For the years ended December 31,	
	2025	2024
Land	\$ 36,911	\$ 37,036
Buildings	12,570	12,104
Other equipment	11,672	10,832
	<u>\$ 61,153</u>	<u>\$ 59,972</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$42,365 and \$81,637, respectively.

D. The Company has no significant profit or loss in relation to lease contracts for the years ended December 31, 2025 and 2024.

E. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$60,599 and \$50,463, respectively.

(10) Intangible assets

	<u>2025</u>	<u>2024</u>
Software		
At January 1		
Cost	\$ 67,278	\$ 65,364
Accumulated amortisation and impairment	(48,072)	(30,154)
	<u>\$ 19,206</u>	<u>\$ 35,210</u>
At January 1	\$ 19,206	\$ 35,210
Additions	965	1,914
Amortisation	(17,647)	(17,918)
At December 31	<u>\$ 2,524</u>	<u>\$ 19,206</u>
At December 31		
Cost	\$ 67,822	\$ 67,278
Accumulated amortisation and impairment	(65,298)	(48,072)
	<u>\$ 2,524</u>	<u>\$ 19,206</u>

(11) Impairment of non-financial assets

A. For the years ended December 31, 2025, the Company's impairment loss was \$22,368. Details of such loss are as follows:

	<u>For the year ended December 31, 2025</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss - buildings	<u>\$ 22,368</u>	<u>\$ -</u>

For the year ended December 31, 2024: None.

B. The impairment loss reported by operating segments is as follows:

	<u>For the year ended December 31, 2025</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Other segment	<u>\$ 22,368</u>	<u>\$ -</u>

For the year ended December 31, 2024: None.

C. In May 2025, the Company decided to discontinue legal proceedings related to the agricultural facilities permit for the chicken farm in Hualien area. As a result, the chicken farm cannot be used as originally planned, leading to an impairment of the costs invested in constructing the farmhouse. Consequently, the Company has adjusted the book value to reflect the recoverable amount and recognised an impairment loss of \$22,368. The recoverable amount was determined based on the fair value of the property, less disposal costs, using the residual value rate of buildings as stipulated in Announcement No.4 by the Real Estate Appraisers Association of R.O.C. The evaluation of the building's value was based on a replacement cost of \$28 per ping, and this fair value is categorised as Level 3.

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	<u>\$ 2,800,000</u>	1.925%~2.22%	None

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	<u>\$ 2,750,000</u>	1.91%~2.22%	None

(13) Short-term notes and bills payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commercial paper payable	\$ 1,600,000	\$ 1,760,000
Less: Unamortised discounts	(2,751)	(1,757)
	<u>\$ 1,597,249</u>	<u>\$ 1,758,243</u>
Interest rate range	1.52%~1.99%	1.34%~1.99%

The short-term notes and bills payable were guaranteed by financial institutions.

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	December 31, 2025
Secured loans	2020.11.12~2030.10.15	1.62%~1.88%	\$ 402,382
Unsecured credit loans	2021.09.29~2030.10.03	1.88%~2.28%	8,850,000
			9,252,382
Less: Current portion			(879,286)
			<u>\$ 8,373,096</u>

Type of borrowings	Borrowing period	Interest rate range	December 31, 2024
Secured loans	2020.11.12~2030.10.15	1.38%~1.92%	\$ 1,026,667
Unsecured credit loans	2021.09.29~2030.10.03	1.88%~2.28%	7,775,000
			8,801,667
Less: Current portion			(1,199,286)
			<u>\$ 7,602,381</u>

Information on collaterals pledged for long-term borrowings is provided in Note 8.

(15) Pensions

A. Defined benefit plan

- (a) The Company has defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to specific percentage of the employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 327,908)	(\$ 304,007)
Fair value of plan assets	<u>357,849</u>	<u>328,800</u>
Net defined benefit asset	<u>\$ 29,941</u>	<u>\$ 24,793</u>

(c) Movements in net defined benefit assets (liabilities) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
<u>2025</u>			
Balance at January 1	(\$ 304,007)	\$ 328,800	\$ 24,793
Current service cost	(929)	-	(929)
Interest (expense) income	(4,644)	<u>5,164</u>	<u>520</u>
	<u>(309,580)</u>	<u>333,964</u>	<u>24,384</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,051	23,051
Change in demographic assumptions	389	-	389
Change in financial assumptions	(5,863)	-	(5,863)
Experience adjustments	<u>(30,357)</u>	<u>-</u>	<u>(30,357)</u>
	<u>(35,831)</u>	<u>23,051</u>	<u>(12,780)</u>
Pension fund contribution	-	18,337	18,337
Paid pension	<u>17,503</u>	<u>(17,503)</u>	<u>-</u>
Balance at December 31	<u>(\$ 327,908)</u>	<u>\$ 357,849</u>	<u>\$ 29,941</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2024</u>			
Balance at January 1	(\$ 333,614)	\$ 306,105	(\$ 27,509)
Current service cost	(1,143)	-	(1,143)
Interest (expense) income	(3,650)	3,422	(228)
	<u>(338,407)</u>	<u>309,527</u>	<u>(28,880)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	27,490	27,490
Change in demographic assumptions	(1)	-	(1)
Change in financial assumptions	9,040	-	9,040
Experience adjustments	(3,024)	-	(3,024)
	<u>6,015</u>	<u>27,490</u>	<u>33,505</u>
Pension fund contribution	-	20,168	20,168
Paid pension	28,385	(28,385)	-
Balance at December 31	<u>(\$ 304,007)</u>	<u>\$ 328,800</u>	<u>\$ 24,793</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labour Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Discount rate	1.35%	1.60%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
<u>2025</u>				
Effect on present value of defined benefit obligation	(\$ <u>22,268</u>)	<u>\$ 25,427</u>	<u>\$ 24,992</u>	(\$ <u>22,341</u>)
<u>2024</u>				
Effect on present value of defined benefit obligation	(\$ <u>18,602</u>)	<u>\$ 20,703</u>	<u>\$ 20,407</u>	(\$ <u>18,706</u>)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to \$8,961.

(g) As of December 31, 2025, the weighted average duration of the retirement plan is 7 years.

B. Defined contribution plan

Effective July 1, 2005, the Company has established defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs for the aforementioned defined contribution pension plan of the Company for the years ended December 31, 2025 and 2024 were \$54,075 and \$51,316, respectively.

(16) Share capital

As of December 31, 2025, the Company’s authorised capital was \$3,579,000, consisting of 357,900 thousand shares of common stock, and the paid-in capital was \$2,947,901, consisting of 294,790 thousand shares of common stock with a par value of \$10 (in dollars) per share. All proceeds from shares issuance have been collected. The number of common stock outstanding at the beginning and end of the period was 294,790 thousand shares.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ operating losses and then 10% of the remaining amount shall be set aside as legal reserve. A special reserve is set aside or reversed in accordance with related laws or regulations by the Competent Authority. The remainder, if any, along with the accumulated unappropriated earnings in prior years, shall be distributed as shareholders’ bonus as resolved by the shareholders. Cash dividends to shareholders shall account for at least 10% of the total dividends to shareholders. If cash dividend is lower than \$0.1 (in dollars) per share, dividends are distributed using share dividends. The Board of Directors of the Company may, upon resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors, distribute dividends and bonus, or legal reserve and capital surplus, in whole or in part, in accordance with Paragraph 1 of Article 241 of the Company Act in the form of cash, which shall also be reported at the shareholders’ meeting, while the proposal of appropriation shall be approved by the shareholders if dividends would be distributed by issuing new shares.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2024 and 2023 have been resolved at the shareholders' meeting on May 28, 2025 and June 25, 2024, respectively, as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 196,260		\$ 226,396	
Cash dividends	1,326,556	\$ 4.50	1,621,346	\$ 5.50

- E. The effective dates for the above distribution of cash dividends were June 3, 2025 and July 2, 2024, respectively.

(19) Operating revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers	\$ 26,638,817	\$ 26,266,402

The Company derives revenue from the transfer of goods at a point in time.

(20) Other income and expenses, net

Other income and expenses, net are gains (losses) on change in fair value less costs to sell of biological assets.

	For the years ended December 31,	
	2025	2024
Other income and expenses, net	\$ 69,328	\$ 35,813

(21) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 3,602	\$ 2,847

(22) Other income

	For the years ended December 31,	
	2025	2024
Rental income	\$ 12,382	\$ 11,259
Dividend income	139,972	48,601
Royalties income	596	740
	<u>\$ 152,950</u>	<u>\$ 60,600</u>

(23) Other gains and losses

	For the years ended December 31,	
	2025	2024
Unrealised gains on financial assets at fair value through profit or loss	\$ 1,878	\$ 27,227
Losses on financial liabilities at fair value through profit or loss	- (10,500)
Realised gains on financial assets at fair value through profit or loss	63,837	153,014
Net foreign exchange gains	7,492	3,240
Losses on disposal of property, plant and equipment	(10,215) (1,308)
Gains arising from lease modifications	9	44
Impairment losses	(22,368)	-
Others	32,142	41,154
	<u>\$ 72,775</u>	<u>\$ 212,871</u>

(24) Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense:		
Bank borrowings and lease liabilities	<u>\$ 250,004</u>	<u>\$ 230,374</u>

(25) Expenses by nature

	For the year ended December 31, 2025		
	Operating cost	Operating expenses	Total
Employee benefit expense	\$ 1,610,623	\$ 841,037	\$ 2,451,660
Depreciation on property, plant and equipment	831,573	99,200	930,773
Depreciation on right-of-use assets	49,098	12,055	61,153
Amortisation	2,712	17,951	20,663
	<u>\$ 2,494,006</u>	<u>\$ 970,243</u>	<u>\$ 3,464,249</u>

	For the year ended December 31, 2024		
	Operating cost	Operating expenses	Total
Employee benefit expense	\$ 1,516,352	\$ 854,919	\$ 2,371,271
Depreciation on property, plant and equipment	857,617	91,073	948,690
Depreciation on right-of-use assets	47,513	12,459	59,972
Amortisation	3,290	17,731	21,021
	<u>\$ 2,424,772</u>	<u>\$ 976,182</u>	<u>\$ 3,400,954</u>

(26) Employee benefits expense

	For the year ended December 31, 2025		
	Operating cost	Operating expenses	Total
Wages and salaries	\$ 1,353,095	\$ 735,622	\$ 2,088,717
Labor and health insurance	144,832	50,677	195,509
Pension costs	32,664	21,820	54,484
Directors' remuneration	-	23,501	23,501
Other personnel expenses (Note)	80,032	9,417	89,449
	<u>\$ 1,610,623</u>	<u>\$ 841,037</u>	<u>\$ 2,451,660</u>

	For the year ended December 31, 2024		
	Operating cost	Operating expenses	Total
Wages and salaries	\$ 1,273,643	\$ 745,736	\$ 2,019,379
Labor and health insurance	136,811	47,951	184,762
Pension costs	31,474	21,213	52,687
Directors' remuneration	-	27,675	27,675
Other personnel expenses (Note)	74,424	12,344	86,768
	<u>\$ 1,516,352</u>	<u>\$ 854,919</u>	<u>\$ 2,371,271</u>

Note: Other personnel expenses include meal allowance, training expenses and employee benefits.

- A. As of December 31, 2025 and 2024, the Company had 2,552 and 2,459 employees, respectively, and had 5 directors for both years.
- B. For the years ended December 31, 2025 and 2024, the average employee benefits were \$953 and \$955, and the average salary expenses were \$820 and \$823, respectively. The change in adjustment on average salary expenses was (0.36%).

- C. According to the Articles of Incorporation of the Company, an amount equal to at least 1% of the Company's distributable profit of the current year should be appropriated as employees' compensation. With no less than 60% of the amount designated for compensation to dispatched employees. If the Company has an accumulated deficit, earnings should be reserved to cover the accumulated losses in advance.
- D. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$38,453 and \$23,888, respectively. The aforementioned amounts were estimated and accrued based on 1% (as prescribed by the Company's Articles of Incorporation) of distributable profit of current year as of the end of reporting period; while directors' remuneration was accrued at \$23,501 and \$27,675, respectively. The determination of the aforementioned amounts was authorized by the Board of Directors based on directors' extent of participation in the Company's operations and the value of their contribution to the Company, and by reference to the pay levels in the domestic and foreign industries. The aforementioned amount is recorded under the salary expense account.
- E. For 2024, the difference of \$365 between employees' compensation of \$24,253 resolved by the Board of Directors on March 24, 2025 and the amount of \$23,888 recognised in the 2024 financial statements, mainly resulting from a variance in estimation, had been adjusted in profit or loss for 2025. The employees' compensation for 2024 had been distributed on June 25, 2025.
- F. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.
- G. The Company's overall salary is positioned above the market levels to cultivate and attract outstanding talents. The Company takes into consideration its operating situation and refers to the Consumer Price Index, economic growth rate, national income, and market and industry salary levels to ensure a highly competitive salary structure to motivate and retain high performance talents. In addition to strictly complying with the Labor Standards Act of the local government, the Company also pays attention to the correlation and design rationalisation between the Company's operating performance and employees' salaries. Directors' remuneration is determined by the Board of Directors based on the pay levels of listed companies in the same industry and their contribution. Independent directors' remuneration is determined based on the market pay levels. Managers' salaries are highly correlated with the Company's operating results and performance, and managers' compensation and bonuses are determined based on their performance indicators every year. Employees' compensation includes monthly salaries and bonuses. Employees' salary standards are determined based on their positions, education and work experience, professional expertise and market value. The base salaries and bonuses are determined in compliance with the Act of Gender Equality in Employment and are not different due to gender, religion, political stance and marital status, etc. The annual budget for salary adjustment is approximately 2% or more (depending on the Company's operating results and performance) and the salaries are adjusted to be in line with the market levels and based on the principle of fairness. The employees' bonuses are determined based on their positions and performance as encouragement. The vision is for employees to work as a team with the Company

for mutual benefits and common prosperity to operate the business as a going concern.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 759,882	\$ 458,998
Tax on undistributed surplus earnings	21,989	20,811
Prior year income tax overestimation	(13,678)	(19,935)
Total current tax	<u>768,193</u>	<u>459,874</u>
Deferred tax:		
Origination and reversal of temporary differences	9,871	11,644
Total deferred tax	<u>9,871</u>	<u>11,644</u>
Income tax expense	<u>\$ 778,064</u>	<u>\$ 471,518</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2025	2024
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 3,061	\$ 65,778
Remeasurement of defined benefit obligations	(2,556)	6,701
	<u>\$ 505</u>	<u>\$ 72,479</u>

(c) Direct debit or (credit) equity income tax amount:

	For the years ended December 31,	
	2025	2024
Proceeds from disposal of financial assets at fair value through other comprehensive income	(\$ 7,477)	(\$ 1,610)

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 768,368	\$ 480,273
Tax exempt income by tax regulation / Expenses disallowed by tax regulation	1,385 (9,631)
Prior year income tax over estimation	(13,678)	(19,935)
Tax on undistributed surplus earnings	21,989	20,811
Income tax expense	<u>\$ 778,064</u>	<u>\$ 471,518</u>

C. (a) Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	December 31, 2025	December 31, 2024
Temporary differences:		
Accrued sales discounts	\$ 32,223	\$ 28,254
Provision for loss on spare parts	4,540	4,450
Pension expense in excess of the limit for tax purpose	(5,988)	(4,959)
Provision for inventory valuation loss and change in fair value of biological assets	(39,818)	(25,992)
Unrealised foreign investment income	(25,053)	(25,053)
Unrealised exchange loss	207	281
Changes in fair value of financial assets at fair value through other comprehensive income	(20,288)	(24,704)
Changes in fair value of financial assets at fair value through profit or loss	(5,821)	(5,445)
Others	8,740	4,809
	<u>(\$ 51,258)</u>	<u>(\$ 48,359)</u>
	December 31, 2025	December 31, 2024
Deferred tax assets	\$ 45,710	\$ 37,794
Deferred tax liabilities	(96,968)	(86,153)
	<u>(\$ 51,258)</u>	<u>(\$ 48,359)</u>

(b) Amounts recognised in profit or loss and in other comprehensive income as a result of temporary differences are as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Recognised in profit or loss	(\$ <u>9,871</u>)	(\$ <u>11,644</u>)
Recognised in other comprehensive income (loss)	(\$ <u>505</u>)	(\$ <u>72,479</u>)
Recognised in equity	\$ <u>7,477</u>	\$ <u>1,610</u>

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	<u>For the year ended December 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ <u>3,063,774</u>	<u>294,790</u>	\$ <u>10.39</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 3,063,774	294,790	
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	<u>346</u>	
	<u>\$ 3,063,774</u>	<u>295,136</u>	<u>\$ 10.38</u>

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,929,846	294,790	\$ 6.55
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,929,846	294,790	
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	358	
	\$ 1,929,846	295,148	\$ 6.54

(29) Supplemental cash flow information

Investing activities with partial cash payment are as follows:

	For the years ended December 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 2,261,794	\$ 2,370,871
Add: opening balance of payable on equipment	108,090	161,716
Less: ending balance of payable on equipment	(197,435)	(108,090)
Less: ending balance of other payables		
- related parties	(274,500)	-
Cash paid during the year	\$ 1,897,949	\$ 2,424,497

(30) Changes in liabilities from financing activities

There is no material non-cash change in the basis for changes in liabilities from financing activities in the Company for the years ended December 31, 2025, and 2024.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

CPF (incorporated in Thailand) directly and indirectly held 39% of the Company's equity shares. The remaining shares were held by the general public. Charoen Pokphand Company Co., Ltd. (CPG) is the major shareholder of CPF.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Charoen Pokphand Foods Public Co., Ltd. (CPF)	Ultimate parent company
Charoen Pokphand (Taiwan) Corp., Ltd.	Subsidiary
Arbor Acres Taiwan Co., Ltd.	"
Rui Mu Foods Co., Ltd. (Rui Mu)	"
Rui Fu Foods Co., Ltd. (Rui Fu)	"
Sheng Da Foods Co., Ltd.	"
Feng Sheng Livestock Co., Ltd. (Feng Sheng)	The Company is a co-venturer of the joint venture
Charoen Pokphand Group Co., Ltd. (CPG)	Other related party
C.P Consumer Products Company Limited	"
CPF Food Network Co.,Ltd.	"
CPF IT Center Company Limited (CPF IT)	"
CP Fresh Co.,Ltd.	"
Leadership Development Charoen Pokphand Group Co., LTD.	"
CP Ram Company Limited	"
Shanghai Zhengyi Machinery Engineering Technology Manufacturing Co., Ltd.	"
Aviagen Incorporation	"
Ta Chung Investment Co., Ltd.	"
Chun Ta Investment Co., Ltd.	"
Perfect Companion (Taiwan) Co., Ltd.	"
Hung Yu-Chun (Note)	"
Lu Yi-Feng	"
Lu Pei-Lun	"
Lan Fu-Shi	"
Hung Peng-Da (Note)	"
Hung Jin-Zheng (Note)	"
Jih Ching Egg Co., Ltd.	"
Note: As of July 1, 2025, the entity ceased to be categorised as a related party.	

(3) Significant related party transactions and balances

A. Operating revenue

	For the years ended December 31,	
	2025	2024
Sales of goods:		
Subsidiaries	\$ 219,564	\$ 425,457
The company is a co-venturer of the joint venture	219	115
Other related parties	179,028	208,444
	<u>\$ 398,811</u>	<u>\$ 634,016</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases

	For the years ended December 31,	
	2025	2024
Purchases of goods:		
Ultimate parent company	\$ 87,138	\$ 60,181
Subsidiaries	326,973	437,926
Other related parties	24,512	29,763
	<u>\$ 438,623</u>	<u>\$ 527,870</u>

Goods are purchased from related parties on normal commercial terms and conditions.

C. Receivables from related parties

	December 31, 2025	December 31, 2024
Notes and accounts receivable:		
Subsidiaries	\$ 99,934	\$ 162,580
Other related parties	15,584	46,099
	<u>115,518</u>	<u>208,679</u>
Other receivable:		
Subsidiaries	241	3,603
	<u>\$ 115,759</u>	<u>\$ 212,282</u>

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts and notes payable:		
Ultimate parent company	\$ 3,601	\$ 3,654
Subsidiaries	24,987	50,300
Other related parties	<u>4,662</u>	<u>4,047</u>
	<u>33,250</u>	<u>58,001</u>
Other payables:		
Subsidiaries	275,878	1,039
Other related parties	14,897	13,130
The company is a co-venturer of the joint venture	<u>11,054</u>	<u>-</u>
	<u>301,829</u>	<u>14,169</u>
	<u>\$ 335,079</u>	<u>\$ 72,170</u>

The payables to related parties arise mainly from purchase transactions. The other payables to related parties arise mainly from purchase of property, plant, and equipment, technical service expenses, trademarks, the farm-member remuneration for joint collaboration for contractual breeding, contracted electric slaughtering fees and freight. The payables bear no interest.

E. Rental income (shown as ‘Other income’)

<u>Lessee</u>	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiaries	\$ 2,168	\$ 1,800
Other related parties	<u>86</u>	<u>86</u>
	<u>\$ 2,254</u>	<u>\$ 1,886</u>

The rental payments for the aforementioned lease agreement are determined through mutual agreement and are collected annually or monthly in accordance with the contract terms.

F. Property transactions

(a) Acquisition of property, plant and equipment

The Company purchased land and buildings from other related parties for operational expansion, amounting to \$208,660 for both years. As of December 31, 2025 and 2024, the remaining unpaid balance amounted to \$10,660. Additionally, in the year 2025, the Company purchased land and buildings from Rui Fu Foods Co., Ltd. for \$562,119. As of December 31, 2025, the outstanding balance of \$274,500 has not yet been paid. As of February 25, 2026, the ownership transfer registration for the land and buildings has not been completed.

(b) Acquisition of financial assets

	<u>General ledger account</u>	<u>Number of shares traded</u>	<u>Subject of the transaction</u>	<u>December 31, 2025 Acquisition price</u>
Rui Mu	Investments accounted for using equity method	20,567,859	Common share	\$ 166,233
Rui Fu	Investments accounted for using equity method	5,100,000	Common share	<u>51,000</u>
				<u>\$ 217,233</u>
	<u>General ledger account</u>	<u>Number of shares traded</u>	<u>Subject of the transaction</u>	<u>December 31, 2024 Acquisition price</u>
Rui Fu	Investments accounted for using equity method	5,100,000	Common share	\$ 51,000
Feng Sheng	Investments accounted for using equity method	22,241,055	Common share	<u>222,410</u>
				<u>\$ 273,410</u>

G. Joint contractual electric slaughter

- (a) The Company signed the agreements for the joint venture controller to provide chicken slaughter service.
- (b) For the years ended December 31, 2025 and 2024, the outsourcing processing cost recognised amounted to \$207,411 and \$0, respectively.

H. Technical service agreement

- (a) The Company signed a technical service agreement with CPG since 1996. CPG helps the Company to manufacture feeds, raise animals and to process meat products, and the Company pays compensation of THB 12 million (net value) for the services annually. The commitment would not be terminated except when any of the two parties would agree to end the agreement. For the years ended December 31, 2025 and 2024, the Company recognised technical service expenses amounting to \$12,063 and \$11,696, respectively.
- (b) The Company signed a technical service agreement with CPG at the end of 2015. CPG helps the Company to raise animals and provides consulting services of related technical skills, and the Company pays compensation of \$700 for the services monthly. The contract is effective

for 5 years. The contract will be renegotiated upon expiration. The Company has negotiated renewals in 2020 and 2025, with each contract term being 5 years. In 2025 and 2024, the Company recognised technical service fee of \$8,400.

I. Trademark licensing agreement

The Company signed a trademark license agreement with CPG at the end of 2015. The contract authorises the Company to use ‘CP’ as trademark in the designated area (Republic of China). Royalties are paid monthly based on 1.5% of the net amount of sales. The contract is effective for 5 years. Upon expiration, the contract is renegotiated. The Company engaged in renewal discussions in 2020 and 2025, with each contract having a term of five years. For the years ended December 31, 2025 and 2024, the Company recognised royalties amounting to \$147,005 and \$131,036, respectively.

J. SAP software and maintenance agreement

The Company signed a contract about license and maintenance of SAP software with CPF IT in April 2023. For the years ended December 31, 2025 and 2024, the Company recognised SAP software authorisation amounting to \$2,670 for both years. The Company recognised amortisation amounting to \$1,882 and \$1,857 for the years ended December 31, 2025 and 2024, respectively.

(4) Key management compensation

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 158,588	\$ 247,446
Post-employment benefits	1,521	1,538
	<u>\$ 160,109</u>	<u>\$ 248,984</u>

8. PLEDGED ASSETS

The Company’s assets pledged as collateral are as follows:

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	
Time deposits - shown as ‘Other current assets’	\$ 28,000	\$ 27,650	Guarantee deposit
Land	862,986	862,987	Long-term borrowings
Buildings and structures	543,926	570,038	Long-term borrowings
Machinery and equipment	437,174	469,421	Long-term borrowings
Other equipment	55,098	62,463	Long-term borrowings
	<u>\$ 1,927,184</u>	<u>\$ 1,992,559</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2025 and 2024, the Company had opened unused letters of credit for purchases of raw materials and machinery of \$238,797 and \$593,694, respectively.

B. As of December 31, 2025 and 2024, the Company had several outstanding construction contracts and equipment purchase agreements amounting to \$782,754 and \$1,114,668, respectively, which will be paid on the basis of percentage of completion.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A. In January 2026, the Company fully subscribed to the capital increase of its wholly-owned subsidiary Rui Mu Foods Co., Ltd., acquiring 28,000,000 shares at a total cost of \$280,000, with each share valued at NT\$10.

B. On February 25, 2026, the Company's board of directors approved the 2025 earnings distribution plan as follows: Appropriation for legal reserve of \$308,391 and distribution of cash dividends of \$2,063,531, equivalent to NT\$7 per share.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	\$ -	\$ 133,500
Financial assets mandatorily measured at fair value through profit or loss	846,097	358,293
Financial assets measured at fair value through other comprehensive income		
Designation of equity instrument	1,582,916	1,701,509
Financial assets at amortised cost		
Cash and cash equivalents	237,630	163,254
Notes receivable (including related parties)	312,656	281,658
Accounts receivable (including related parties)	2,438,817	2,316,838
Other accounts receivable (including related parties)	34,668	20,854
Refundable deposits	39,768	68,686
Other financial assets - current	28,000	27,650
	<u>\$ 5,520,552</u>	<u>\$ 5,072,242</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,800,000	\$ 2,750,000
Short-term notes and bills payable	1,597,249	1,758,243
Notes payable (including related parties)	135,546	103,714
Accounts payable (including related parties)	1,137,307	1,106,681
Other accounts payable (including related parties)	1,461,527	973,291
Long-term borrowings (including current portion)	9,252,382	8,801,667
	<u>\$ 16,384,011</u>	<u>\$ 15,493,596</u>
Lease liability	<u>\$ 332,071</u>	<u>\$ 351,165</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial

markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, HKD and THB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require the Company to manage its foreign exchange risk against its functional currency.
- iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
HKD:NTD	HKD	1	4.01	\$ 4
THB:NTD	THB	22,359	0.98	21,954
USD:NTD	USD	27	31.38	836
<u>Non-monetary items</u>				
HKD:NTD	HKD	414,895	4.03	1,671,128
THB:NTD	THB	2,440,791	1.00	2,429,013
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	3,471	31.48	\$ 109,252

December 31, 2024					
	Foreign currency amount		Exchange rate	Book value	
	(in thousands)			(NTD)	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	USD	101	32.73	\$	3,302
<u>Non-monetary items</u>					
HKD:NTD	HKD	509,191	4.22		2,147,070
THB:NTD	THB	1,663,554	0.96		1,593,625
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	USD	2,469	32.84	\$	81,079

v. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024 amounted to \$7,492 and \$3,240, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

2025				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
HKD : NTD	1%	\$	-	\$ -
THB : NTD	1%		220	-
USD : NTD	1%		8	-
<u>Non-monetary items</u>				
HKD : NTD	1%		-	16,711
THB : NTD	1%		8,461	15,829
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	(\$	1,093)	\$ -

	2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 33	\$ -
<u>Non-monetary items</u>			
HKD : NTD	1%	3,583	17,887
THB : NTD	1%	-	15,936
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 811)	\$ -

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Refer to Note 6(2) and Note 6(3).
- ii. For the Company's strategies for biological assets price risk, refer to Note 6(7).
- iii. The Company's investment in equity securities comprise foreign listed stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, The post-tax profit for the fiscal years 2025 and 2024 would have increased or decreased by \$6,769 and \$2,866, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other equity for the years ended December 31, 2025 and 2024 would have increased/decreased by \$12,663 and \$13,612, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Company's borrowings at variable rate were denominated in NTD.

- ii. The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios run only for liabilities that represent the major interest-bearing positions.
- iii. For the years ended December 31, 2025 and 2024, if interest rates on NTD-denominated borrowings at that date had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024, would have been \$74,019 and \$70,413 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is the contract cash flows when counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. Based on the Company's historical experience, if the contract payments were past due over 17 days, there has been a significant increase in credit risk on that instrument since initial recognition. As a result, the Company should strengthen controls and make follow-up procedures.
- iv. The Company pays attention on specific customers whose payments were past due to confirm the debts and recognises the allowance for bad debts when there is a concern about default based on the assessment of customers' credit risk.
- v. The Company classifies customers' accounts receivable in accordance with customer types. The Company applies the simplified approach using loss rate methodology to estimate expected credit loss impairment under the provision matrix basis.
- vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. For the years ended December 31,

2025 and 2024, the Company's written-off financial assets that are still under recourse procedures amounted to \$4,584 and \$3,460, respectively.

- vii. The Company used the forecastability of the global economy to adjust historical and timely information to assess the default possibility of accounts receivable in accordance with customers' credit. As of December 31, 2025 and 2024, the expected loss rate is as follows:

	<u>Current</u>	<u>Up to 120 days</u>	<u>121-365 days</u>	<u>Over one year</u>	<u>Total</u>
<u>December 31, 2025</u>					
Expected loss rate	0.05%	1.5%~100%	100%	100%	
Total book value	\$ 2,456,857	\$ 185,283	\$ 191	\$ 23,694	\$ 2,666,025
Loss allowance	1,257	4,861	258	23,694	30,070
<u>December 31, 2024</u>					
Expected loss rate	0.05%	1.5%~100%	100%	100%	
Total book value	\$ 2,300,635	\$ 92,358	\$ 17	\$ 25,429	\$ 2,418,439
Loss allowance	1,252	1,937	4	25,429	28,622

- viii. Movements in relation to the Company applying the simplified approach to provide loss allowance for notes and accounts receivable (including related parties) are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 28,622	\$ 29,526
Provision for impairment	2,968	-
Reversal of impairment loss	-	(904)
Write-offs	(1,520)	-
At December 31	<u>\$ 30,070</u>	<u>\$ 28,622</u>

The provision for (reversal of) impairment loss arising from customers' contracts for the years ended December 31, 2025 and 2024 amounted to \$2,968 and (\$904), respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's financial ratio targets, covenant compliance and applicable external regulatory or legal requirements.
- ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity Companyings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

December 31, 2025	<u>Less than 1 year</u>	<u>Between 1 and</u>	
		<u>5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,800,000	\$ -	\$ -
Short-term notes and bills payable	1,600,000	-	-
Notes payable (including related parties)	135,546	-	-
Accounts payable (including related parties)	1,137,307	-	-
Other payables (including related parties)	1,461,527	-	-
Lease liabilities	57,198	162,259	134,657
Long-term borrowings (including current portion)	1,064,539	8,534,188	-

Non-derivative financial liabilities

December 31, 2024	<u>Less than 1 year</u>	<u>Between 1 and</u>	
		<u>5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,750,000	\$ -	\$ -
Short-term notes and bills payable	1,760,000	-	-
Notes payable (including related parties)	103,714	-	-
Accounts payable (including related parties)	1,106,681	-	-
Other payables (including related parties)	973,291	-	-
Lease liabilities	54,828	194,150	126,711
Long-term borrowings (including current portion)	1,364,068	7,526,507	257,426

iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Company's financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in biological assets is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The non-listed preferred shares invested in by our company belong to this category.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Biological assets	\$ -	\$ 1,479,348	\$ -	\$ 1,479,348
Financial assets at fair value through profit or loss:				
Equity securities	\$ 846,097	\$ -	\$ -	\$ 846,097
Financial assets at fair value through other comprehensive income:				
Equity securities	\$ 1,582,916	\$ -	\$ -	\$ 1,582,916
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Biological assets	\$ -	\$ 1,172,165	\$ -	\$ 1,172,165
Financial assets at fair value through profit or loss:				
Non-listed preferred shares	\$ -	\$ -	\$ 133,500	\$ 133,500
Equity securities	358,293	-	-	358,293
	<u>\$ 358,293</u>	<u>\$ -</u>	<u>\$ 133,500</u>	<u>\$ 491,793</u>
Financial assets at fair value through other comprehensive income:				
Equity securities	\$ 1,701,509	\$ -	\$ -	\$ 1,701,509

D. The methods and assumptions the Company used to measure fair value are as follows:

- (a) The instruments the Company used quoted market prices as their fair values (that is, Level 1) are listed stocks, whose quoted market prices are based on the closing prices and which are classified as financial assets at fair value through profit or loss and financial assets at fair value through comprehensive income.

- (b) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- (c) Details of methods for measuring Level 2 - Biological assets are provided in Note 6(7).
- E. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	Equity	
	2025	2024
At January 1	\$ 133,500	\$ 144,000
Recognised in profit or loss	-	(10,500)
Conversion	(133,500)	-
At December 31	\$ -	\$ 133,500
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31(Non-operating income and expenses)	\$ -	(\$ 10,500)

- G. The third party is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Non-derivative equity	December 31, 2024 Fair value	Evaluation technology	Material unobservable input values	Range weighted average	The relationship between input values and fair value
Non-listed preferred shares	\$ 133,500	Market Law	Lack of market liquidity discount, Price-to-book multiple	0.15 - 1.15	The higher the lack of market liquidity discount, the lower the fair value; the higher the multiplier, the higher the fair value.

As of December 31, 2025: None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others during the year ended December 31, 2025: None.

C. Holding of significant marketable securities at December 31, 2025 (not including subsidiaries, associates and joint ventures):

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
	Types	Name			Number of shares	Book value	Ownership	Fair value	
The Company	Common share	Charoen Pokphand Foods Public Company Limited	(Note)	Financial assets at fair value through profit or loss	39,000,000	\$ 846,097	0.46%	\$ 846,097	
The Company	Common share	Charoen Pokphand Foods Public Company Limited	(Note)	Financial assets at fair value through other comprehensive income	72,962,900	1,582,916	0.87%	1,582,916	
Plenty Type Limited (Cayman Islands)	Common share	Charoen Pokphand Foods Public Company Limited	(Note)	Financial assets at fair value through other comprehensive income	76,800,000	1,664,196	0.91%	1,664,196	

Note: Investee company accounted for as financial assets at fair value through other comprehensive income by the Company and Plenty Type Limited (Cayman Islands), which is ultimate parent entity of the Company.

D. Purchases or sales of goods from or to related parties reaching NT\$ \$100 million or 20% of paid-in capital or more during the year ended December 31, 2025:

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Rui Fu Foods Co., Ltd.	Subsidiary	Sales revenue	\$ 135,419	0.51%	180 days	The same as general transactions	The same as general transactions	\$ 82,224	2.99%
The Company	Arbor Acres Taiwan Co., LTD	Subsidiary	Purchases	117,564	0.69%	105 days	The same as general transactions	The same as general transactions	8,279	0.65%

E. Receivables from related parties reaching NT\$ \$100 million or 20% of paid-in capital or more as at December 31, 2025:

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Rui Fu Foods Co., Ltd.	The Company	Parent company	\$ 274,500	Not applicable	\$ -		\$ -	\$ -	

F. Significant inter-company transactions during the year ended December 31, 2025: The inter-company transactions below 1% of consolidated assets or revenue are not disclosed.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China):

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2025			Net profit (loss) of the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as of December 31, 2025	Balance as of December 31, 2024	Number of shares	Ownership (%)	Book value			
The Company	Plenty Type Limited (Cayman Islands)	Cayman Islands	Management of producing and non-producing business investments	\$ 470,459	\$ 470,459	57,841,941	100.00	\$ 1,671,128	\$ 99,173	\$ 99,173	Subsidiary (Note 1)
The Company	Charoen Pokphand (Taiwan) Corp., Ltd.	Taiwan	Management of importing and exporting businesses	20,086	20,086	2,443,716	90.00	49,717	15,962	14,366	Subsidiary
The Company	Arbor Acres Taiwan Co., Ltd.	Taiwan	Husbandry management of chickens to produce breeder chicken and daily chicken	60,131	60,131	1,600,000	50.00	100,635	50,671	25,336	Subsidiary
The Company	Rui Mu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	510,093	193,860	47,399,559	100.00	380,158	(53,887)	(46,230)	Subsidiary
The Company	Rui Fu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	510,000	459,000	43,350,000	51.00	331,369	(12,384)	(6,316)	Subsidiary (Note 1)
The Company	Feng Sheng Livestock Co., Ltd.	Taiwan	Electric livestock slaughter	322,411	322,411	32,241,055	50.00	318,097	30,148	15,074	Investment accounted for using equity method - joint ventures
Plenty Type Limited (Cayman Islands)	Chia Tai Lianyungang Co., Ltd.	Hong Kong	Management of producing and non-producing business investments	HKD -	HKD 19,910	-	0.00	-	-	-	Indirectly owned subsidiary (Note 2) (Note 3)
Rui Fu Foods Co., Ltd.	Sheng Da Foods Co., Ltd.	Taiwan	Husbandry management of eggs and related business	250,000	250,000	25,000,000	83.33	104,945	(1,932)	-	Indirectly owned subsidiary (Note 2)

Note 1: Including recognition of current profit or loss of its investees.

Note 2: Current period income (loss) has been recognised by subsidiaries and indirectly owned subsidiaries.

Note 3: Chia Tai Lianyungang Co., Ltd. has been liquidated in April 2025.

(3) Information on investments in Mainland China

None.

14. OPERATING SEGMENT INFORMATION

None.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
MOVEMENT SUMMARY OF NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 1

Marketable securities	As of January 1, 2025		Additions		Decrease		As of December 31, 2025		Accumulated impairment	Collateral or pledge	Footnote
	Number of shares	Fair value	Number of shares	Amount	Number of shares	Amount	Number of shares	Fair value			
Common share - Charoen Pokphand Foods Public Company Limited	72,962,900	\$ 1,593,625	-	\$ -	-	\$ 10,709	72,962,900	\$ 1,582,916	None	None	Note
Common share - CITIC Limited	2,778,000	<u>107,884</u>	-	<u>-</u>	2,778,000	<u>107,884</u>	-	<u>-</u>	None	None	Note
		<u>\$ 1,701,509</u>		<u>\$ -</u>		<u>\$ 118,593</u>		<u>\$ 1,582,916</u>			

Note: The additions include valuation gains and losses.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 2

Customer name	Amount	Note
Non-related parties:		
A Customer	\$ 283,386	
B Customer	282,042	
Others	1,788,287	The balance of each customer does not exceed 5% of the accounts receivable
Less: Allowance for bad debts	(30,070)	
	<u>\$ 2,323,645</u>	
Related parties:		
Arbor Acres (Taiwan) Co., Ltd.	\$ 6,041	
Rui Fu Foods Co., Ltd.	82,224	
Rui Mu Foods Co., Ltd.	9,419	
Lu Yi-Feng	9,117	
Other	<u>8,371</u>	The balance of each customer does not exceed 5% of the accounts receivable
	<u>\$ 115,172</u>	

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 3

<u>Items</u>	<u>Cost</u>	<u>Net realisable value</u>	<u>Note</u>
Materials and supplies	\$ 1,315,656	\$ 1,469,715	
Work in progress	40,831	57,605	
Finished goods	<u>682,299</u>	<u>793,399</u>	
	2,038,786	2,320,719	
Less: Allowance for inventory valuation losses	(<u>3,700</u>)	<u>-</u>	
	<u>\$ 2,035,086</u>	<u>\$ 2,320,719</u>	

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 4

Name	Opening balance		Additions (Deductions)		Cash dividends	Investment income (loss)	Exchange differences on translation of foreign financial statements	Gain on valuation of financial assets at fair value through other comprehensive income	Gains (losses) on remeasurements of defined benefit plan	Changes in capital surplus	Ending balance		Market price or value per share		
	Number of shares	Amount	Number of shares	Amount							Number of shares	Ownership (%)	Amount	Price (in NTD)	Total price
Plenty Type Limited (Cayman Islands)	57,841,941	\$ 1,680,893	-	\$ -	(\$ 100,697)	\$ 99,173	(\$ 82,083)	\$ 73,842	\$ -	\$ -	57,841,941	100%	\$ 1,671,128	\$ -	\$ 1,671,128
Charoen Pokphand (Taiwan) Corp., Ltd.	2,443,716	47,450	-	-	(12,219)	14,366	-	-	120	-	2,443,716	90%	49,717	-	49,717
Arbor Acres Taiwan Co., Ltd.	1,600,000	98,196	-	-	(23,232)	25,336	-	-	335	-	1,600,000	50%	100,635	-	100,635
Rui Mu Foods Co., Ltd.	11,831,700	107,651	35,567,859	299,733	-	(46,230)	-	-	(3)	19,007	47,399,559	100%	380,158	-	380,158
Rui Fu Foods Co., Ltd.	38,250,000	286,685	5,100,000	51,000	-	(6,316)	-	-	-	-	43,350,000	51%	331,369	-	331,369
Feng Sheng Livestock Co., Ltd.	32,241,055	303,023	-	-	-	15,074	-	-	-	-	32,241,055	50%	318,097	-	318,097
		<u>\$ 2,523,898</u>		<u>\$ 350,733</u>	<u>(\$ 136,148)</u>	<u>\$ 101,403</u>	<u>(\$ 82,083)</u>	<u>\$ 73,842</u>	<u>\$ 452</u>	<u>\$ 19,007</u>			<u>\$ 2,851,104</u>		<u>\$ 2,851,104</u>

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
SHORT-TERM NOTES PAYABLE AND BILLS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 5

Item	Accepting institution	Contract term	Interest rate	Amount			Note
				Issue amount	Unamortised discount on notes payable	Book Value	
Commercial paper	Grand Bills Finance Corporation	2025/12/26~2026/2/24	1.85%	\$ 150,000	(\$ 466)	\$ 149,534	
Commercial paper	Bank of East Asia Limited, Taipei Branch	2025/12/12~2026/2/12	1.54%	300,000	(701)	299,299	
Commercial paper	Dah Chung Bills Financial Corp.	2025/12/26~2026/1/23	1.78%	200,000	(250)	199,750	
Commercial paper	Ta Ching Bills Finance Corporation	2025/12/29~2026/2/26	1.87%	150,000	(487)	149,513	
Commercial paper	China Bills Finance Corporation	2025/11/11~2026/2/9	1.52%	150,000	(330)	149,670	
Commercial paper	Taiwan Finance Corporation	2025/12/8~2026/1/7	1.55%	200,000	(69)	199,931	
Commercial paper	Taiwan Cooperative Bills Finance Corporation	2025/11/17~2026/1/16	1.84%	150,000	(129)	149,871	
Commercial paper	Mega Bills Finance Co., Ltd.	2025/11/4~2026/1/2	1.99%	150,000	(9)	149,991	
Commercial paper	International Bills Finance Corporation	2025/11/10~2026/2/6	1.76%	150,000	(310)	149,690	
				<u>\$ 1,600,000</u>	<u>(\$ 2,751)</u>	<u>\$ 1,597,249</u>	

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Table 6

Supplier name	Amount	Note
Non-related parties:		
A Supplier	\$ 80,737	The balance of each supplier does not exceed 5% of the accounts payable
Others	<u>1,023,362</u>	
	<u>\$ 1,104,099</u>	
Related parties:		
Charoen Pokphand (Taiwan) Corp., Ltd.	4,427	
Arbor Acres Taiwan Co., Ltd.	8,278	
Rui Mu Foods Co., Ltd.	8,254	
Sheng Da Foods Co., Ltd.	3,985	
Charoen Pokphand Foods Public Co., Ltd.	3,601	
CPF Food Network Co., Ltd.	3,681	
Others	<u>982</u>	
	<u>\$ 33,208</u>	

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 7

<u>Item</u>	<u>Quantity (Metric tons)</u>	<u>Amount</u>	<u>Note</u>
Animal feeds, cooked food	557,503	\$ 7,537,957	
Agricultural livestock	138,142	13,172,031	
Meat processing	33,594	5,920,480	
Eggs	281	1,985	
Others	-	<u>6,364</u>	
		<u>\$ 26,638,817</u>	

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 8

Item	Amount	Note
Cost of goods sold		
Raw materials		
Raw materials at the beginning	\$ 1,045,401	
Materials purchased during the year	15,641,235	
Scraps sold	(3,479)	
Raw materials sold	(734,015)	
Materials reclassified as expenses	(28,559)	
Other non-operating losses	(496)	
Gain on physical inventory count of raw materials	1,709	
Raw materials at the end	(1,290,279)	
	<u>14,631,517</u>	
Indirect materials		
Raw materials at the beginning	29,296	
Materials purchased during the year	402,550	
Raw materials sold	(743)	
Materials reclassified as expenses	(6,279)	
Gain on physical inventory count of raw materials	84	
Raw materials at the end	(25,377)	
	<u>399,531</u>	
Direct labor	<u>1,116,602</u>	
Manufacturing overhead	<u>3,456,191</u>	
Manufacturing Cost	19,603,841	
Add: Work in progress at the beginning	2,287,258	
Less: Work in progress at the end	(2,632,152)	
Finished goods cost	19,258,947	
Add: Finished goods at the beginning	544,420	
Add: Finished goods purchases for the year	1,049,155	
Less: Loss on finished goods	(4,792)	
Less: Finished goods reclassified as expenses	(44,809)	
Less: Finished goods at the end	(682,299)	
	20,120,622	
Less: Selling by-products	(63)	
Add: Materials sold	734,758	
Add: Loss on physical inventory count	2,999	
Less: Gain on reversal of decline in market value	200	
Add: Loss from disposal of scraps	1,279	
Operating costs	<u>\$ 20,859,795</u>	

Note: Biological assets were included in work in progress.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 9

Item	Description	Amount	Note
Wages and salaries	\$	269,157	
Insurance expense		216,194	
Depreciation		880,671	
Miscellaneous disbursements and repairs and maintenance expense		487,698	
Utilities expense and fuel charges		691,464	
Environmental protection fee		178,937	
Outsourcing processing fees		275,099	
Other expenses		456,971	Each individual item does not exceed 5% of the account balance.
	\$	<u>3,456,191</u>	

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.
DETAILS OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 10

Item	Selling and marketing expenses	General and administrative expenses	Total	Note
Wages and salaries	\$ 304,798	\$ 476,145	\$ 780,943	
Freight	434,266	217	434,483	
Cost of service and technical service	785	188,466	189,251	
Traveling expense	100,633	17,354	117,987	
Non-deductible input VAT for dual- status business entities	106,430	6,694	113,124	
Depreciation	91,377	19,878	111,255	
Storage fees	87,801	-	87,801	
Other expenses	132,685	116,741	249,426	Each individual item does not exceed 5% of the account balance.
	<u>\$ 1,258,775</u>	<u>\$ 825,495</u>	<u>\$ 2,084,270</u>	