

# **Great Wall Enterprise Co., Ltd.**

## **Minutes for the 2025 General Shareholders Meeting**

Time: Tuesday, 10 a.m. June 17, 2025.

Venue: Auditorium at the Company, No.3, Niaosong 2nd St., Yongkang Dist., Tainan City

Chairperson: Chia-Yau Han, the chairman of the board of directors. Recorder:

Chia-Lun Lu.

The total shares issued: 894,767,222, Outstanding Shares: 836,707,753,

Total shares represented by shareholders present in person or by proxy: 609,559,617,

(175,584,399 shares exercised via electronic transmission),

Percentage of shares held: 72.85%.

Directors present: Chairman Han Chia-Yau, Director Han Chia-Yin, Chiao Thai Hsing

Investment Company Limited, Representative: Director Chao Tien-Hsing, Independent

Director Ting Yu-Shan ( Chairman of the Audit Committee) , Independent Director Wei

Chien-Ming.

Sit-in Members: Han Fang-Hao (President), Chung Tan-Tan (CPA), Lin Zheng-Xian (Attorney).

The aggregate shareholding of the shareholders present in person or proxy constituted a quorum. The chairman called the meeting to order.

A. Chairman's Address (omitted)

B. Report Items

I. 2024 Business Operation

II. Audit Committee's Review Report of 2024 Financial Statements

III. 2024 Employees' and Directors' Remuneration

IV. The Company's Endorsements and Guarantees

V. 2024 Cash Dividends Distribution

## VI. Others

### C. Ratifications

#### Report 1

proposed by the Board of Director

Subject: To ratify 2024 Financial Statements.

Description: I. The Company's 2024 parent-only and consolidated financial statements have been audited by Mr. Li Feng-Hui and Ms. Chung Tan-Tan of KPMG.

II. The Business Report and the Financial Statements have been reviewed by the Audit Committee.

III. The Business Report and the Financial Statements (refer to the appendices).

IV. Please ratify the proposal.

Resolution: Voting Result:

Shares represented at the time of voting: 608,883,127

Voting Results (including votes casted electronically)		% of the total represented share present
Votes in favor	589,261,889votes	96.77%
Votes against	77,422votes	0.01%
Votes invalid	0votes	0.00%
Votes abstained / No votes	19,543,816votes	3.20%

The proposal was approved after voting.

#### Report 2

proposed by the Board of Director

Subject: To ratify 2024 Profit Distribution.

Description: I. Table of 2024 Distribution of Surplus Earnings was prepared in accordance with Article 34 of the Company's Article of Incorporation, and had been resolved by the Board of Directors and reviewed by the Audit Committee.

III. Please ratify the proposal.

Resolution: Voting Result:

Shares represented at the time of voting: 608,883,127

Voting Results (including votes casted electronically)		% of the total represented share present
Votes in favor	589,645,589votes	96.84%
Votes against	81,614votes	0.01%
Votes invalid	0votes	0.00%
Votes abstained / No votes	19,155,924votes	3.14%

The proposal was approved after voting.

#### D. Discussions:

Proposed by the board of directors

Summary: Discussion of partial amendments to the Company's " Articles of Incorporation ."

Details: I. Comparison and explanation of the amendments made are presented below.

II. The topic is ready for discussion.

	Before amendment	After amendment	Explanation
Article 17:	The Company has ten to fifteen directors. The number of candidates should be determined by the Board of Directors.	The Company has seven to fifteen directors. The number of candidates should be determined by the Board of Directors.	Change in the number of directors appointed
Article 33:	Upon closing of each fiscal year, the Board of Directors shall prepare the following documents and shall forward the same to the Supervisors for auditing no later than the thirty (30) days prior to the meeting	Upon closing of each fiscal year, the Board of Directors shall prepare the following documents and shall forward the same to the Audit Committee for auditing no later than the thirty (30) days prior to the	The Company has established an Audit Committee to assume the duties and authorities previously held by the Supervisor.

	Before amendment	After amendment	Explanation
	<p>date of the annual shareholder meeting:</p> <p>(1) Business operation report;</p> <p>(2) Financial statements;</p> <p>(3) Proposal for profit distribution or loss coverage</p>	<p>meeting date of the annual shareholder meeting:</p> <p>(1) Business operation report;</p> <p>(2) Financial statements;</p> <p>(3) Proposal for profit distribution or loss coverage</p>	
Article 34:	<p>The Company's net income before tax before deducting the remuneration to employees and Directors should be used to make up for aggregated losses, no less than 2% of any remainder shall be allocated as the employees' remuneration and no more than 2% shall be allocated as the Directors' remuneration.</p> <p>Employee compensation and director compensation shall be distributed in the form of shares or cash. The distribution of compensation shall be approved by a majority of the</p>	<p>The Company's net income before tax before deducting the remuneration to employees and Directors should be used to make up for aggregated losses, no less than 2% of any remainder shall be allocated as the employees' remuneration (of which no less than 0.5% shall be distributed to rank-and-file employees) and no more than 2% shall be allocated as the Directors' remuneration.</p> <p>Employee compensation and director compensation shall be distributed in the</p>	<p>The Company has established an Audit Committee to assume the duties and authorities previously held by the Supervisor.</p> <p>Pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, a certain percentage of annual profits shall be allocated for salary adjustments or bonus distributions to rank-and-file employees.</p>

	Before amendment	After amendment	Explanation
	Directors present at the Board of Directors' meeting attended by at least two-thirds of all Directors, and shall be reported at the shareholders' meeting.	form of shares or cash. The distribution of compensation shall be approved by a majority of the Directors present at the Board of Directors' meeting attended by at least two-thirds of all Directors, and shall be reported at the shareholders' meeting.	
Article 37:	<p>The Articles of Incorporation was enacted on November 21, 1960.</p> <p>The first amendment was made on November 21, 1960.</p> <p>The second amendment was made ...</p> <p>The fifty-forth amendment was made on May 31, 2019.</p>	<p>The Articles of Incorporation was enacted on November 21, 1960.</p> <p>The first amendment was made on November 21, 1960.</p> <p>The second amendment was made ...</p> <p>The fifty-forth amendment was made on May 31, 2019.</p> <p>The fifty- fifth amendment was made on June 17, 2025.</p>	Insert amendment date.

Resolution: Voting Result:

Shares represented at the time of voting: 608,883,127

Voting Results (including votes casted electronically)		% of the total represented share present
Votes in favor	589,317,460votes	96.78%
Votes against	92,725votes	0.01%
Votes invalid	0votes	0.00%
Votes abstained / No votes	19,472,942votes	3.19%

The proposal was approved after voting.

#### E. Election

Proposed by the board of directors

Summary: Election of directors (including independent directors).

Details: I. The Company's existing directors (including independent directors), are due for re-election at the end of their 3-year term.

II. Pursuant to the Articles of Incorporation, a total of 11 directors (including 8 non-independent and 3 independent directors) shall be elected for the new board to serve a term of 3 years, which can be renewed if re-elected.

III. Service of newly elected directors (including independent directors) shall begin on June 17, 2025 and last for 3 years until June 16, 2028.

IV. The election is ready to proceed.

Serial No.	Candidate category	Candidate name	Education	Current position	Shares held (unit: shares)
1	Director candidates	Fu Chu Investment Co., Ltd. - Representative Han Chia-Yau	Master's Degree, University of Connecticut	Fu Ju Investment Co., Ltd. - Chairman Huang-Ho Invest. Company Limited - Chairman Total Nutrition Technology Company Limited- Chairman Great Wall FeedTech Enterprise Company Limited - Chairman City Chain Company Limited - Chairman Nissshi Chain Co. Ltd. - Chairman Saboten Company Limited -	64,222

Serial No.	Candidate category	Candidate name	Education	Current position	Shares held (unit: shares)
				Chairman Oriental Best Foods Company Limited - Chairman Honolulu Chain Food & Beverage Co., Ltd. - Chairman Wonder Vax Company Limited - Chairman Neo Foods Company Limited - Chairman Sanmin Investment Co., Ltd. - Chairman An Hsin Chiao Chu Company Limited - Director TTET Union Corporation - Director Dejia Investment Co., Ltd.- Director Fu Rui Investment Co., Ltd. - Supervisor	
2	Director candidates	Fu Chu Investment Co., Ltd. - Representative Han Chia-Yin	Master's Degree, University of New Haven	Dachan Food(Asia) Limited - Standing Director An Hsin Chiao Chu Company Limited – Chairman Ma Cheng Co., Ltd. - Chairman Xiang Cheng Co., Ltd. - Chairman De-Jia Investment Company Limited - Chairman Oriental Best Foods Company Limited - Director City Chain Company Limited- Director Nissshi Chain Co. Ltd. - Director Saboten Company Limited - Director Huang-Ho Invest. Company Limited- Director Fu Ju Investment Co., Ltd. - Director	-

Serial No.	Candidate category	Candidate name	Education	Current position	Shares held (unit: shares)
				Fu Rui Investment Co., Ltd. - Director Honolulu Chain Food & Beverage Co., Ltd. - Director Sanmin Investment Co., Ltd. - Director	
3	Director candidates	Fu Chu Investment Co., Ltd. - Representative Han Fang-Tsu	MBA at the University of Rochester, Simon Business School	Dachan Food(Asia) Limited - Special Assistant to the Chairman Dachan Food(Asia) Limited -Senior General Manager of Feed and Animal Nutrition Group Dachan Food(Asia) Limited - Senior General Manager of Food Business Group Dachan Food(Asia) Limited - Deputy General Manager of Financial Resources Group Great Wall Enterprise Co., Ltd. - Chairman's Special Assistant	-
4	Director candidates	Furui Investment Co., Ltd. - Representative Han Fang-Hao	MBA of Tsinghua University in Beijing	Z.Y. Food Company Limited- Chairman May Lan Lei Company Limited- Chairman KOUCHAN MILL CO., LTD.- Chairman FOODCHINA COMPANY- Chairman Nissshi Chain Co. Ltd- Director Great Wall Nutrition Tech. Sdn. Bhd.- Director Asia Nutrition Technologies (VN) Investment Company Limited- Director Shanghai Universal Chain Food Company Limited- Director Route 66 Fast Food Limited-	-



Serial No.	Candidate category	Candidate name	Education	Current position	Shares held (unit: shares)
				Director Great Wall Enterprise Co., Ltd. - President	
5	Director candidates	Lien Hwa Industrial Holdings Corp.			19,012,799
6	Director candidates	Chiao Thai Hsing Investment Company Limited			12,444,845
7	Director candidates	Tseng Pen-Jung	Kaohsiung Medical University	Tseng Pen-Jung Dermatology Clinic - Person-in-charge	4,260,408
8	Director candidates	Wang Zi-Lin	KaiNan High School of Commerce and Industry	Hsin Ru Chun Enterprise - Person-in-charge	3,552,270
9	Independent Director candidate	Ting Yu-Shan	Master's Degree, Soochow University	Dachan Food(Asia) Limited - Independent Non-standing Director DaChan Food (Asia) Limited - Audit Committee member DaChan Food (Asia) Limited - Chairperson of Remuneration Committee	
10	Independent Director candidate	Tao Shih-An	Master's degree from University of San Francisco	Chickabiddy Co., Ltd. - Chairman Kou Feng Industrial Co., Ltd. - Chairman	-
11	Independent Director candidate	Tsai Yu-Ling,	National Taiwan University, Department of Law	District Court Judge IBM General Counsel Co-founder of Lee, Tsai & Partners Attorneys-at-Law Executive Yuan Political Affairs Councilor	-

- (1) Director (including independent director) candidates do not meet any of the negative criteria mentioned in Article 30 of The Company Act.
- (2) Independent directors have met the professional qualification, independence criteria, and restrictions on concurrent positions stipulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- (3) Fu Ju Investment Co., Ltd. held 79,343,528 shares. Furui Investment Co., Ltd. held 40,118,964 shares.

Election Result:

Title	Name	Vote Received
Director	Fu-Ju Investment Company Limited: Han Chia-Yau	762,583,043
Director	Chiao Thai Hsing Investment Company Limited	577,455,323
Director	Lien Hwa Industrial Holdings Corp.	546,694,236
Director	Tseng Pen-Jung	532,145,843
Director	Fu-Ju Investment Company Limited: Han Chia-Yin	514,565,123
Director	Furui Investment Co., Ltd. – Representative: Han Fang-Hao	511,564,843
Director	Fu-Ju Investment Company Limited: Han Fang-Tsu	509,326,510
Director	Wang Zi-Lin	506,197,518
Independent Director	Ting Yu-Shan	502,506,337
Independent Director	Tsai Yu-Ling,	501,044,573
Independent Director	Tao Shih-An	500,354,330

F. Other motions

Proposed by the board of directors

Summary: Removal of restrictions on competing business involvements for newly elected directors (including independent directors) of the Company's 18th board.

Details: I. Article 209 of The Company Act states that: "Directors are required to disclose material details to shareholders and obtain permission for engaging in business activities that coincide with those of the company, whether for directors' own benefit or for the benefits of others. "

II. Directors of the Company are due for re-election during the 2025 shareholder meeting. A proposal is hereby raised to remove restrictions on competing business involvement, as stipulated in Article 209 of The Company Act, for newly elected directors in the annual general meeting, and to permit their involvement in business activities that coincide with those of the Company, whether for their own interests or for the interests of others.

III. The topic is ready for discussion.

Resolution: Voting Result:

Shares represented at the time of voting: 608,883,127

Voting Results (including votes casted electronically)		% of the total represented share present
Votes in favor	523,923,039votes	86.04%
Votes against	65,137,041votes	10.69%
Votes invalid	0votes	0.00%
Votes abstained / No votes	19,823,047votes	3.25%

The proposal was approved after voting.

#### G. Special Motion:

There being no other business and special motion, and no motion was raised by shareholders, upon a motion duly made and seconded, the meeting was adjourned.

#### H. Adjournment.

## Appendices

### Report to Shareholders

Dear ladies and gentlemen:

Thank you all for participating in this year's annual general meeting, and on behalf of the Company, I would like to express my most sincere gratitude for your persistent support.

After enduring the severe COVID-19 pandemic, countries around the world are in the process of recovery. Amid ongoing changes such as trade disputes between China and the U.S. and the EU, rising trade protectionism, and the prolonged Russia-Ukraine war, the U.S. Federal Reserve has shifted from an interest rate hike phase to a rate cut phase over the past two years due to inflation in the United States. This has led to more frequent fluctuations in the company's operations, raw material procurement, interest rates, and exchange rate hedging compared to previous years, although the prices of bulk grains have already declined. As countries gradually lift COVID-19 restrictions, the demand for chicken, pork, and edible oils for food and beverage, night markets, and street foods has rebounded. While Taiwan's birth rate continues to decline, the pet ownership rate has been increasing year by year. In response, the company is actively expanding into the pet food market. Additionally, as societal development progresses, people are placing greater emphasis on health and wellness, prompting the company to invest in the development and sales of health food products.

Driven by the mission to uphold business integrity and provide healthy life and safe food for consumers, DaChan Group continues to publish annual sustainability reports this year. The Company is committed to enforcing traceability for all products sold, and has established its own farm-to-table system. The DaChan Quality Inspection Center not only passes food safety certification of the Ministry of Health and Welfare, but also takes part in the government's Food Safety Alliance Program as a way to raise consumers' confidence in DaChan products.

The Company reported consolidated net operating revenues of NT\$102.7 billion for 2024, down NT\$8.36 billion or -7.52% from 2023; net income attributable to parent company's shareholders amounted to NT\$3.53 billion for 2024, up NT\$0.54 billion or -13.27% from 2023.

All of the company's factories have obtained various international and Taiwanese quality and safety certifications, including EU HACCP certification and ISO 22000 certification. Equipped with a national-level laboratory, food inspection accreditation from the Ministry of Health and Welfare, and the most advanced instruments and related systems, the company's Machouhou frozen prepared food processing plant continues to expand production, gradually optimizing its capacity. Additionally, plans are underway for a second-phase expansion in food processing, including entry into the plant-based meat production sector.

In collaboration with Showa Sangyo Co., Ltd. from Japan, the company has established major joint ventures in the egg and flour industries. The newly operational Erlin Modern Automated Egg Washing and Liquid Egg Automated Warehousing Facility in Changhua enhances both the production capacity and quality of washed eggs and

liquid eggs. The company has also launched raw food-grade eggs "Taiwan Superior", setting new standards in layer farming, egg washing, and liquid egg production. Through cooperation between Kouchan Mill Company and Showa Foods, we have upgraded the flour production and technology to strengthen the competitive advantage among the peers. With high standards of food safety, the Company's brand image is established and the confidence of customers and consumers is enhanced.

## **Business Report**

### **I. Report on the 2024 business and financial performance**

#### **(I) Business performance**

Unit: NTD thousands

Item	2024 - actual	2023 - actual	Variation (%)
Operating revenues	102,749,063	111,108,929	-7.52%
Operating profit	5,336,706	6,020,280	-11.35%
Profit/loss before tax	5,619,658	5,968,599	-5.85%
After-tax EPS	NT\$4.21	NT\$4.81	-12.47%

#### **(II) Business plan and budget execution**

The Company did not make any public financial forecast in 2024, but there was no significant difference between actual operational performance and what the Company had internally planned.

#### **(III) Revenues, expenses, and profitability analysis**

##### **(1) Profit and loss**

- (a) Interest income amounted to NT\$130,949 thousand in 2024, which were generated from bills and demand deposits.
- (b) Interest expenses amounted to NT\$619,952 thousand in 2024, which had incurred due to short-term and long-term borrowings.

## (2) Profitability analysis

Item	2024	2023
Return on assets (%)	7.25%	8.33%
Return on equity (%)	13.31%	15.82%
Operating profit as a percentage of paid-up capital (%)	59.64%	67.28%
Profit before tax as a percentage of paid-up capital (%)	62.81%	66.71%
Net profit margin (%)	4.30%	4.32%
After-tax EPS (NTD)	NT\$4.21	NT\$4.81

## (IV) Research and development

DaChan Group continues to increase the level of vertical integration in agricultural and animal food products. Meanwhile, additional efforts are being made to expand into related fields such as: feeds, fats, meats, seafoods, processed foods, biotech, plant-based meat, pet foods, vaccines and dietary supplement. This expanding diversity means that R&D efforts have to be adjusted at the group level to accommodate the Company's future opportunities and market demand, and that more manpower and resources will have to be committed into developing technologies and products that are relevant to the sustainability of the Company's growth.

Sustainability and environmental protection is an issue that modern businesses have to take note of, in line with net zero carbon reduction goals and besides improving product features, it is also necessary to direct research and development efforts toward the needs of consumers, the environment, and the society as a whole, and contribute to the sustainability of the Earth's environment by addressing waste reduction, carbon reduction, energy conservation, and environmental protection issues.

To ensure ongoing advancement of production technology, the Company not only invests resources and manpower persistently into research and development, the brand new biotech R&D center for food and animal nutrition start the operation, and continuously expands the testing facilities including: closed-up farm of vaccine-producing eggs, testing farm of poultry, testing farm of pigs, and indoor aquatic producing testing ground. Meanwhile, collaborations are being made with

local and foreign research institutions such as: National Taiwan University, National Cheng Kung University, National Chung Hsing University, National Pingtung University of Science and Technology, National Taiwan Ocean University, Taiwan Livestock Research Institute, Animal Health Research Institute, and Research center Schothorst Feed Research in Holland to acquire critical technologies and develop application capacity.

## **II. Summary of 2025 business plan**

### **(I) Operational guidelines**

DaChan Group has long specialized in the development of animal and aquaculture feeds, meat products, and restaurant brands. It currently surpasses peers in the market share of compound feeds and electricuted chicken. In addition to pursuing sales growth, the Company places great emphasis on improving feed quality and tightening control over its products, and caters for consumers' health at the source. By venturing into biotechnology, the Company aims to develop biotech products that meet the nutritional requirements of animals in different environments. In terms of egg production, the Company will support the government's policies on washed eggs by adopting total monitoring of feed nutrition, proper egg farm management, regular disease inspection for hens, random inspection of egg quality, and rigorous testing of the final product. With the help of professional cold chain logistics partners, these products will be delivered to customers in the optimal condition. The Company has even established a food development center to oversee research of new machinery, refinement of production process, as well as the development, production, and marketing of plant-based meats. Additionally, the continuously rapid development of the pet food market in the recent years, the Company has decided to invest more resources to the R&D of the pet feed products and market development, while planning to build the brand new pet food production plant, to produce the dry and wet food, snacks, and healthcare product, to develop the product with unique edges and enter the pet market swiftly by utilizing the Group's integrated advantages, as one of the key fields of the Company in the future.

With respect to food processing, the Company's new food processing factory located in Machouhou Industrial Park, Chiayi, commenced mass production at the end of 2021. This modern food processing factory, equipped with multifunctional equipment, performs a wide variety of tasks from frying, roasting, stewing, quality control to automated packaging, and has the capacity to provide local consumers

with processed foods of the highest quality and safety.

The Company continues to focus on agricultural and animal products as the main business activity with corporate social responsibilities in mind. Through vertical integration and ongoing improvements to product quality and safety, we strive to raise customers' satisfaction and embrace a brighter future while adhering to our values of integrity and modesty.

## **(II) Expected sales volume and basis**

Based on past performance and changes in market demand, the Company has estimated sales volume for 2025 as follows:

Item	Sales volume (tonnes)
Feeds	2,800,000
Meat (regular + free range chicken)	430,000
Food	220,000
Commodity	1,300,000

## **(III) Key production/sales policies**

In terms of edible oil, DaChan's soybean oil has always been a trusted brand and preferred product for commercial use, particularly in night markets and food stalls. In terms of the soybean powder, it complements the Company's continuously growing sales of feeds. Regarding the raw material, the stability of the imported soybean is still a great challenge. The arrived soybeans are more than the demand in summers, but in winters, the arrival and demand of soybeans reverse. It is a target for the long-term efforts to maintain the stable domestic supply and demand of oil and powder.

In Taiwan, total deregulation on the import of poultry products combined with slow growth in the demand for animal protein have intensified price competition. As a response, the Company is actively integrating research, development, production, and marketing resources throughout the organization to increase product quality and create differentiation as well as competitive advantage that will lessen the threat of price competition. With the help of animal protein studies from the biotech facility, the Company hopes to provide customers with better quality and safer products that are free of antibiotics.

Regarding the hogs, facing pressures of hogs' environmental diseases, the Company has worked with the team of ATRI to engage the foreign advisers for coaching the production technologies and practices of hog farms, establishing the



management team and the management program of germplasm, establishing the SOP for the raising and management of hog farm, to improve the raising results and the tracking of the descendant results, so that the performance of sows' reproduction and the hog growth performance are improved for the better overall raising effectiveness and reduced costs of meat production, and the stable profit is made based on the raising and management.

Regarding the native chicken, we have implemented a stocking density control system to reduce mortality rates during both rearing and processing phases, thereby ensuring stable supply of feather chickens. Through vertical integration of upstream and downstream resources, we serve as a key liaison across the value chain—maintaining strong partnerships with feed suppliers, contract farmers, and feather chickens distributors to solidify our market leadership. The native chicken processing plant is expected to be completed next year. In response to the market's labor shortage environment, it will provide seasoned raw and auxiliary ingredients and processed native chicken products; the DaChan's Lu Ye Free-Range Chicken brand continues to study market demand and introduce new products to meet different customer groups.

The Company has achieved significant success with respect to festive meal and home meal replacement in recent years, particularly with the introduction of new brands such as Yummy Dots. Additional safety inspections and preparation techniques were introduced to food processing to ensure the safety and taste of this new line of products. In light of the fundamental changes in consumers' shopping behaviors, the Company has devoted greater attention into e-commerce besides existing channels; some of its products even managed to top the best-selling chart.

#### **(IV) Future development strategies**

1. The Company will continue devoting attention to food safety in light of how consumers local and abroad have become more aware of issues concerning ractopamine, drug residue, the pandemic, and the safety and health of meat and egg products. A food development center has been established to oversee research of existing and new machinery, refinement of production process, as well as the development, production, and marketing of plant-based meats. In terms of feeds, the company has established a comprehensive feeding system, dedicated to promoting precision nutrition through phased feeding programs that incorporate our biotechnology products. This powerful combination not only meets customers' specific nutritional requirements but also significantly enhances their breeding performance. "Antibiotic-Free feeding" has become the prevailing trend in livestock industry development. DaChan is able to make layer feeds, late-stage swine feeds, and late-stage chicken feeds without any antibiotics while achieving zero drug residue. With zero drug residues as our

ultimate goal, we are committed to building a shared antibiotic-free ecosystem for sustainable animal husbandry. In line with the purpose of corporate social responsibility and sustainable development, the company continues to promote low-pollution environmentally friendly feeds. Low-pollution and deodorization are more friendly to the livestock shed environment, driving a virtuous cycle between the company and the industry, strengthening the company's sustainable competitiveness in the feed field, and jointly contributing to corporate social responsibility.

As for fresh poultry supply, the Company has made extensive vertical integrations from the chicken farm, hatchery, contract farmers, feed suppliers, electrocution slaughterhouse, processing factories all the way to the distribution channels, and markets its own poultry products under the brand - "DaChan Poultry." In doing so, the Company is able to exercise total control in such a way that reduces production cost and ensures the quality and consistency of chicken supply.

With respect to food processing, the Company produces processed poultry goods that can be stored in room temperature, chilled, and frozen, which are distributed nationwide through a variety of channels.

2. The COVID-19 pandemic has fundamentally changed consumers' dining habits. As people become more receptive of cooking at home, they start looking for frozen food options that are easy to store and cook. Satisfying customers' needs to cook and eat at home thus presents a new challenge to food producers, but it also means that there are greater opportunities to innovate.

By incorporating modern production technologies, the Company continually introduces new and differentiated products that taste good and are safe to eat, thereby bringing customers pleasant dining experience with each meal. Changes have also been made to accommodate the smaller dining size per household today; by shifting design emphasis towards smaller volume and greater variety, the Company hopes to appeal to the young population with a new brand image and fresh elements.

Demand for plant-based foods in Asia is expected to grow by 200% over the next five years as vegetarian diet increases in popularity with rising environmental awareness. Having noticed the sizable percentage of vegetarians in Taiwan and the abundant opportunities they represent, the Company has committed significant R&D resources into improving the texture, flavor, and pricing of plant-based meat, as the flavor is what draws consumers to try, while affordability is the key to making plant-based meat popular. Pro-active actions will be taken to expand global market presence in the future.

#### **(V) Impacts of the competitive environment, regulatory environment, and macroeconomic environment**

Trade agreements have given rise to several regional markets around the world, allowing goods, services, and information to be delivered free of border limitations.

As a result, the Company now faces competition from all over the world. Not only does the Company compete to offer the best product in the global market, it also competes with producers around the world for supply of low-cost materials and services. Faced with such a competitive environment, the Company will play to its size advantage and make bulk purchases worldwide to reduce raw material costs, so that more resources can be directed towards improving product quality and after-sale service.

In light of ongoing food safety issues and consumers' concerns about bird flu and drug residues in agricultural/animal products, the Company will be making adjustments to the product portfolio while undergoing more extensive upstream-downstream integration to diversify feed risks, and thereby ensure profit stability. DaChan Group remains persistent at promoting safety and traceability for pork, poultry, processed foods, and egg products. Our efforts to ensure "quality and safety" of the food supply chain have been rewarded with favorable results, and we are proud to be able to meet the government's requirements as well as the public's expectations for healthy and safe meats and eggs. By offering 100% assurance, we hope to build DaChan's prestige in the field of food safety and convince consumers of the quality of our products.

Lastly, we wish for your wellbeing and give you our best regards for the future ahead!

Chairman     Han Chia-Yau

President     Han Fang-Hao

Vice President     Liu Chien-Chung

Great Wall Enterprise Co., Ltd.

Audit Committee Review Report

The Board of Directors has prepared the Company's 2024 Business Operation Report, Financial Statements and Proposal for Profit Distribution, among which the Financial Statements have been audited by KPMG, Taiwan, by whom an audit report has been issued accordingly. The Business Operation Report, Financial Statements and the proposed profit distribution have been reviewed by us, the Audit Committee of the Company. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Convener of the Audit Committee: Ting Yu-Shan

Date: March 12, 2025

## **Independent Auditors' Report**

To the Board of Directors of Great Wall Enterprise Co., Ltd.:

### **Opinion**

We have audited the accompanying balance sheet of GREAT WALL ENTERPRISE CO., LTD. as of December 31, 2024 and 2023, and the related comprehensive income statements, statement of changes in equity, cash flow statements, and notes to the parent company only financial statements (including significant accounting policies) for the three months then ended.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis of the audit opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibility under these standards is further explained in the section of responsibility for the audit of the parent company only financial statements. We are independent from the Company in accordance with the Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for presenting the audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024. 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, and we do not express a separate opinion on these matters. The key audit matters determined by the accountant to be communicated on the audit report are as follows:

#### **Revenue recognition**

For the accounting policies related to the recognition of revenue, please refer to the Revenue recognized in note 4 (14) and note 6 (21) of the parent company only financial statements.

#### **Explanation of key audit matters:**

- Due to the characteristics of the industry in which the Group is located, and the requirement of the competent authority that the Company must announce its operating revenue on a monthly basis, the risk of the timing of revenue recognition is increased.

The audit procedures for the response:

The main audit procedures for the above key audit matters include:

- Test the control of revenue recognition and the transaction cycle from order to receipt of the inspected company.
- Execute detailed substantive tests of the sales income by sampling and confirming the payment collection or original certificate after the period.
- In the accounts receivable statement, appropriate number of samples were selected for written verification.
- Assess whether the sales revenue is covered in the appropriate period.

#### **Responsibilities of the management and the governing unit 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, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless the management intends to liquidate the Company or cease operations, or there is no other realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of the Company.

#### **Responsibilities of the CPAs to audit 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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement in the parent company only financial statements when it exists. Misstatements can arise from fraud or error. They 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.

When we audit the financial statements in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism. We also:

1. Identify and assess the risk of material misstatement arising from fraud or error within the parent company only financial statements; 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 auditor's 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 the auditor's 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 investee accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit, and we are responsible for forming an audit opinion for the Company.

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 Company in 2024 and therefore are the key audit matters. We describe these matters in our independent auditors' report unless the law or regulation does not allow us to disclose such matters, or under extremely rare circumstances we determine that it is not possible to communicate such matters in our report because the adverse impact is reasonably expected to be greater than the public interest.

The engagement partners on the audit resulting in this independent auditors' report are Lee, Feng-Hui and Chung, Tan-Tan.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2025

#### **Notes to Readers**

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

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	2024.12.31		2023.12.31		Liabilities and equity	2024.12.31		2023.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>21XX Current liabilities:</b>				
1100 Cash and cash equivalent (Note 6(1))	\$ 422,613	1	221,005	1	2100 Short-term borrowings (Note 6(13))	\$ 9,927,237	23	7,560,923	21
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	20,476	-	11,100	-	2110 Short-term notes payable (Note 6(14))	1,600,000	4	3,400,000	9
1150 Net notes receivable (Note 6(4), (21), and 7)	818,044	2	1,338,580	3	2120 Financial liabilities measured at fair value through profit or loss - current (Note 6(2))	811	-	32,048	-
1170 Net accounts receivable (Note 6(4), (21) and 7)	1,572,431	6	3,221,706	8	2150 Notes payable (Note 7)	281,610	1	657	-
1210 Other receivables - related parties (Note 7)	219,000	1	1,155,070	3	2170 Accounts payable (Note 7)	2,354,669	6	1,585,124	4
1300 Inventories (Notes 4 and 6(5))	1,168,915	7	2,713,101	7	2200 Other payables (Notes 6(2), and 7)	1,161,761	3	1,183,859	3
1400 Biological assets - current (Note 6(6))	1,214,122	3	1,200,100	4	2230 Current income tax liabilities	214,079	1	489,135	1
1410 Prepayments (Note 6(7))	103,284	-	95,464	-	2280 Lease liabilities - current (Note 6(15))	48,741	-	48,642	-
1470 Other financial assets - Current	33,778	-	53,614	-	2399 Other current liabilities - Other (Note 7)	787,082	2	407,802	1
1479 Other current assets - others	31,782	-	15,710	-	<b>Total current liabilities</b>	<b>16,361,794</b>	<b>40</b>	<b>14,709,190</b>	<b>39</b>
<b>Total current assets</b>	<b>6,644,445</b>	<b>20</b>	<b>9,803,579</b>	<b>26</b>	<b>23XX Non-current liabilities:</b>				
<b>Non-current assets:</b>					2370 Deferred income tax liabilities (Note 6(18))	50,609	-	53,903	-
1510 Financial assets at fair value through other comprehensive income - non-current (Note 6(1))	1,342,310	6	2,272,981	6	2380 Lease liabilities - non-current (Note 6(15))	156,521	-	37,795	-
1550 Investment under equity method (Note 6(8))	11,928,174	45	15,334,898	40	2641 Guarantee deposits received	91,650	-	87,172	-
1600 Property, plant and equipment (Notes 6(9))	16,591,895	25	9,441,924	24	2670 Other non-current liabilities - Other	121,181	-	122,185	-
1750 Right-of-use assets (Note 6(10))	204,405	-	84,048	-	<b>Total non-current liabilities</b>	<b>420,971</b>	<b>-</b>	<b>301,165</b>	<b>-</b>
1760 Net investment property (Note 6(11))	276,194	1	280,742	1	<b>Total liabilities</b>	<b>16,782,765</b>	<b>40</b>	<b>15,011,052</b>	<b>39</b>
1830 Biological assets - non-current (Note 6(6))	105,544	-	321,303	1	<b>31XX Equity (Note 6(3), (17) and (19)):</b>				
1840 Deferred income tax assets (Note 6(18))	68,041	-	80,635	-	3110 Common stock capital	8,947,673	21	8,947,673	24
1970 Net defined benefit assets - non-current (Note 6(17))	138,020	-	124,224	-	3200 Capital reserve	4,094,052	10	3,876,361	9
1990 Other non-current assets - others (Notes 6(12) and 8)	1,135,424	3	657,284	2	3300 Retained earnings	11,711,824	27	10,181,765	26
<b>Total non-current assets</b>	<b>31,790,607</b>	<b>80</b>	<b>28,898,057</b>	<b>74</b>	3400 Other equity	1,626,555	4	1,103,914	3
<b>Total assets</b>	<b>\$ 48,435,052</b>	<b>100</b>	<b>\$ 38,701,636</b>	<b>100</b>	3500 Treasury shares	(754,821)	(2)	(219,132)	(1)
					<b>Total equity</b>	<b>25,650,281</b>	<b>60</b>	<b>23,690,181</b>	<b>61</b>
					<b>Total liabilities and equity</b>	<b>\$ 48,435,052</b>	<b>100</b>	<b>\$ 38,701,636</b>	<b>100</b>

See accompanying notes to financial statements.



(English Translation of Financial Statements Originally Issued in Chinese)

**GREAT WALL ENTERPRISE CO., LTD.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(21) and 7)	\$ 33,591,798	100	37,666,965	100
5000	Operating costs (Note 6(5), (6), (9), (10), (15), (17), (22), and 7)	39,621,163	88	33,492,840	86
5900	Gross profit	3,970,635	12	5,194,125	14
6000	Operating expenses (Notes 6(4), (9), (17) and (23))				
6100	Sales promotion expenses	1,453,048	4	1,511,529	4
6200	Administrative expenses	544,983	2	531,813	1
6300	R&D expenses	124,996	-	110,905	-
6450	Expected credit impairment (reversal gain) loss (Note 6(4))	74,600	-	(71,183)	-
	Total operating expenses	2,147,627	6	2,103,114	5
6900	Net operating profit	1,823,008	6	3,091,011	9
7100	Interest revenue	11,245	-	29,228	-
7020	Other gains and losses	520,666	2	331,486	1
7050	Financial cost	(211,901)	2	(237,968)	(1)
7070	Share of profit or loss of subsidiaries, affiliated companies and joint ventures accounted for using the equity method	1,859,443	6	1,566,888	4
	Total non-operating income and expenses (Note 6(11), (15), (16), (23) and 7)	2,179,453	6	1,628,634	4
7900	Net profit before tax	4,002,461	12	4,720,645	13
7950	Less: Income tax expense (Note 6(18))	478,072	1	631,441	2
8200	Net profit for the period	3,529,389	11	4,069,204	11
8300	Other comprehensive income: (Notes 6(3), (17) and (19))				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	11,942	-	3,446	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	69,376	-	23,126	-
8330	Share of other comprehensive income of subsidiaries, affiliates and joint ventures under equity method - items not reclassified into profit or loss	11,805	-	3,687	-
8340	Less: Income tax related to items not subject to reclassification	2,388	-	680	-
	Total of items not reclassified into profit or loss	90,791	-	28,170	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	442,976	1	(218,909)	(1)
8390	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	442,976	1	(218,909)	(1)
8300	Other comprehensive income for the period	533,771	1	(189,339)	(1)
8500	Total comprehensive income for the period	\$ 4,063,160	12	\$ 3,879,865	10
9750	Basic earnings per share (Unit: NTD)	\$ 4.21		\$ 4.61	
9850	Diluted earnings per share (Unit: NTD)	\$ 4.19		\$ 4.60	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD.

Statements of Changes in Equity  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Exchange differences on translation of financial statements of foreign operations	Other equity		Treasury shares	Total equity
	Common stock capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total		Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total		
Balance as of January 1, 2023	\$ 8,947,673	3,376,379	2,983,678	41,994	4,435,737	7,435,354	(863,331)	3,159,141	1,796,033	(219,132)	20,892,875
Net profit for the period	-	-	-	-	4,069,204	4,069,204	-	-	-	-	4,069,204
Other comprehensive income for the period	-	-	-	-	3,737	3,737	(218,899)	34,813	(191,096)	-	(183,513)
Total comprehensive income for the period	-	-	-	-	4,073,941	4,073,941	(218,899)	34,813	(191,096)	-	3,879,865
Appropriations and distribution of earnings:											
Appropriation of legal reserve	-	-	220,340	-	(220,340)	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,342,136)	(1,342,136)	-	-	-	-	(1,342,136)
Changes in other capital reserves:											
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	236,402	-	-	-	-	-	-	-	-	236,402
Cash dividends received by subsidiaries for holding shares of the parent company	-	73,589	-	-	-	-	-	-	-	-	73,589
Balance as of December 31, 2023	8,947,673	3,676,381	3,203,998	41,994	6,934,803	10,181,763	(1,082,041)	2,182,955	1,603,934	(219,132)	23,693,598
Net profit for the period	-	-	-	-	3,529,389	3,529,389	-	-	-	-	3,529,389
Other comprehensive income for the period	-	-	-	-	10,598	10,598	442,976	88,417	523,413	-	533,771
Total comprehensive income for the period	-	-	-	-	3,539,987	3,539,987	442,976	88,417	523,413	-	4,063,381
Appropriations and distribution of earnings:											
Appropriation of legal reserve	-	-	407,195	-	(407,195)	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,948,435)	(1,948,435)	-	-	-	-	(1,948,435)
Changes in other capital reserves:											
Treasury stock repurchase	-	-	-	-	-	-	-	-	-	(213,689)	(213,689)
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	375,582	-	-	-	-	-	-	-	-	375,582
Changes in ownership interests in subsidiaries	-	(65,938)	-	-	(37,334)	(37,334)	-	-	-	-	(164,343)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,876)	(1,876)	-	2,228	2,228	-	352
Cash dividends received by subsidiaries for holding shares of the parent company	-	(99,037)	-	-	-	-	-	-	-	-	(99,037)
Balance as of December 31, 2024	\$ 8,947,673	4,084,652	3,611,193	41,994	9,689,666	11,711,814	(1,039,425)	2,218,620	1,626,595	(734,821)	25,683,502

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD.

Statements of Cash Flows  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flow from operating activities:		
Net income before tax for the period	\$ 4,002,461	4,720,645
Adjustments:		
Income and expenses:		
Depreciation expense	728,644	672,658
Depreciation expense of biological assets	185,601	153,991
Amortization expense	18,882	14,754
Expected credit impairment loss (reversal gain)	24,600	(71,193)
Net gain on financial assets and liabilities measured at fair value through profit or loss	(142,382)	(63,638)
Interest expense	211,901	237,968
Interest revenue	(11,245)	(29,228)
Dividend revenue	(110,288)	(99,475)
Share of profit of subsidiaries, affiliated companies and joint ventures accounted for using the equity method	(1,859,443)	(1,506,888)
Gains on disposal and scrapping of property, plant and equipment	(182,766)	(14,258)
Gain on disposal of investment property	(1,908)	-
Changes in fair value of biological assets	(38,873)	(104,587)
Total income and expense	(1,177,277)	(809,916)
Changes in assets and liabilities related to operating activities:		
Decrease of financial assets measured at fair value through profit or loss	101,169	161,784
Decrease in notes receivable	480,536	10,404
Decrease in accounts receivable	624,675	118,263
Decrease (increase) in inventory	(655,814)	14,523
Changes in biological assets	55,108	41,534
Decrease (increase) in prepayments	(7,820)	92,108
Decrease (increase) of other current assets	(16,042)	28,278
Decrease in other financial assets	24,402	25,806
Increase in net defined benefit assets	(1,854)	(1,402)
Increase (decrease) of notes payable	284,953	(441,722)
Increase (decrease) in accounts payable	769,145	(3,044)
Increase (decrease) in other payables	(248,996)	209,491
Increase in other current liabilities	274,280	105,788
Total net changes in assets and liabilities related to operating activities	1,683,742	361,811
Total adjustment items	506,465	(448,105)
Cash inflow from operations	4,508,926	4,272,540
Interest received	11,245	27,729
Income tax paid	(742,498)	(302,039)
Net cash inflow from operating activities	3,777,673	3,998,230
Cash flow from investing activities:		
Acquisition of investment under equity method	(1,485,036)	(224,070)
Disposal of financial assets at fair value through other comprehensive income	399	-
Acquisition of property, plant and equipment	(1,485,918)	(1,267,729)
Disposal of property, plant and equipment	244,583	22,182
Disposal of investment property	2,400	-
Decrease in other payables- Related party	914,070	574,910
Increase of other non-current assets	(376,325)	(287,867)
Dividends received	692,133	245,594
Net cash outflow from investing activities	(1,493,694)	(936,980)

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**GREAT WALL ENTERPRISE CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	\$ 2,366,314	(1,460,220)
Increase (decrease) in short-term notes payable	(1,800,000)	200,000
Increase in guarantee deposits received	4,378	5,086
Lease principal repayment	(46,982)	(46,284)
Increase (decrease) in other current liabilities	85,000	(186,510)
Distribution of cash dividends	(1,968,442)	(1,342,150)
Treasury shares repurchase cost	(515,689)	-
Interest paid	(206,850)	(264,154)
Net cash outflow from financing activities	(2,082,371)	(3,094,232)
Increase (decrease) in cash and cash equivalents in the current period	201,608	(32,982)
Opening balance of cash and cash equivalents	221,005	253,987
Closing balance of cash and cash equivalents	<u>\$ 422,613</u>	<u>221,005</u>

See accompanying notes to financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Great Wall Enterprise Co., Ltd.:

### **Auditors' Opinion**

We have audited the accompanying consolidated balance sheet of GREAT WALL ENTERPRISE CO., LTD. and subsidiaries as of December 31, 2024 and 2023, and the related consolidated comprehensive income statements, consolidated statement of changes in equity, consolidated cash flow statements, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

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

### **Basis of the audit opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibility under these standards is further explained in the section of responsibility for the audit of the consolidated financial statements. We are independent from the Group in accordance with the Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for presenting the audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters. The key audit matters determined by the accountant to be communicated on the audit report are as follows:

#### **Revenue recognition**

For the accounting policies related to the recognition of revenue, please refer to the Revenue recognized in note 4 (16) and note 6 (26) of the consolidated financial statements.

#### **Explanation of key audit matters:**

Due to the characteristics of the industry in which the Group is located, and the requirement of the competent authority that the Group must announce its operating revenue on a monthly basis, the risk of the timing of revenue recognition is increased.

The audit procedures for the response:

The main audit procedures for the above key audit matters include:

- Test the control of revenue recognition and the transaction cycle from order to receipt of the consolidated company.
- Execute substantive tests of the sales income by sampling and confirming the payment collection or original certificate after the period.
- In the accounts receivable statement, appropriate number of samples were selected for written verification.
- Assess whether the sales revenue is covered in the appropriate period.

### **Other Matters**

We have audited the consolidated financial statements of the Group for the years ended December 31, 2024 and 2023, and the unqualified opinions issued by the CPAs.

### **Responsibilities of the management and the governing unit for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Responsibilities of the CPAs to audit the consolidated financial statements**

Our objectives are to obtain to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements can arise from fraud or error. They 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 consolidated financial statements.

When we audit the financial statements in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism. We also:

1. 1. Identify and assess the risk of material misstatement arising from fraud or error within the consolidated financial statements; 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit, and we are responsible for forming an audit opinion for the Group.

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 consolidated financial statements of the Group in 2024 and therefore are the key audit matters. We describe these matters in our independent auditors' report unless the law or regulation does not allow us to disclose such matters, or under extremely rare circumstances we determine that it is not possible to communicate such matters in our report because the adverse impact is reasonably expected to be greater than the public interest.

The engagement partners on the audit resulting in this independent auditors' report are Lee, Feng-Hui and Chung, Tan-Tan..

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2025

#### **Notes to Readers**

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	2024.12.31		2023.12.31			2024.12.31		2023.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>I. Assets</b>					<b>Liabilities and equity</b>				
<b>1. Current assets:</b>					<b>Current liabilities:</b>				
1100 Cash and cash equivalents (Note 6(1))	5,834,872	11	6,141,576	10	2100 Short-term borrowings (Note 6(10))	16,459,340	23	13,259,945	21
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	21,448	-	63,123	-	2110 Short-term notes payable (Note 6(17))	2,082,000	3	3,870,000	6
1150 Net notes receivable (Note 6(4), (20), and 7)	1,175,185	2	1,597,841	3	2120 Financial liabilities measured at fair value through profit or loss - current (Note 6(7))	811	-	16,614	-
1170 Net accounts receivable (Note 6(4), (19) and 7)	6,742,554	10	6,640,022	11	2150 Notes payable	243,389	-	211,967	-
1360 Inventories (Note 6(5))	16,652,340	15	9,357,243	14	2170 Accounts payable (Note 7)	6,228,664	9	5,577,205	9
1400 Biological assets - current (Note 6(6))	2,146,620	3	2,124,423	3	2200 Other payables (Notes 6(19), and 7)	3,478,830	5	3,114,840	5
1410 Prepayments (Note 6(7))	1,340,969	2	1,428,582	2	2230 Current income tax liabilities	578,859	1	866,655	1
1470 Other financial assets - current (Note 6(8) and 7)	257,237	-	318,403	1	2260 Lease liabilities - current (Note 6(24))	247,896	-	261,372	-
1479 Other current assets - others	874,777	1	969,558	1	2320 Long-term liabilities due within one year or one operating cycle (Note 6(14))	731,321	1	-	-
Total current assets	31,296,931	44	28,952,571	45	2399 Other current liabilities - others (Notes 6(20) and 7)	1,871,285	3	1,367,101	2
<b>2. Non-current assets:</b>					Total current liabilities	31,027,413	43	28,608,087	44
1517 Financial assets at fair value through other comprehensive income - non-current (Note 6(7))	3,725,460	4	2,644,544	4	<b>Non-current liabilities:</b>				
1550 Investment under equity method (Note 6(18))	1,778,073	3	1,674,606	2	2340 Long-term borrowings (Note 6(11))	1,888,832	3	2,033,886	3
1600 Property, plant and equipment (Notes 4, 6(12) and 7)	21,180,647	40	24,319,942	38	2351 Provisions for employee benefits - non-current (Note 6(22))	671	-	2,149	-
1713 Right-of-use assets (Note 6(13))	3,112,964	4	2,938,888	5	2370 Deferred income tax liabilities (Note 6(23))	210,975	-	164,116	-
1760 Net investment property (Notes 6(14) and 7)	222,250	-	589,500	1	2380 Lease liabilities - non-current (Note 6(20))	2,038,346	3	1,841,337	3
1803 Goodwill (Note 9)	860,349	1	113,358	-	2415 Guarantees deposits received	121,390	-	97,270	-
1810 Biological assets - non-current (Note 6(6))	354,936	1	574,430	1	2470 Other non-current liabilities - Other	1,55,840	-	118,204	-
1849 Deferred income tax assets (Note 6(23))	311,640	-	179,222	-	Total non-current liabilities	4,207,879	6	4,461,584	6
1975 Net defined benefit assets - non-current (Note 6(22))	136,968	-	124,564	-	Total liabilities	36,235,292	50	33,069,671	50
1990 Other non-current assets - others (Notes 6(15), 7 and 8)	2,266,342	3	2,640,784	6	<b>Equity attributable to owners of the parent company (Notes 6(3), (5), (22) and (24)):</b>				
Total non-current assets	29,439,139	36	33,873,042	39	2100 Share capital	8,947,673	13	8,947,673	14
<b>Total assets</b>	<b>60,736,070</b>	<b>100</b>	<b>62,825,613</b>	<b>100</b>	2200 Capital reserve	4,094,952	6	3,676,261	6
					2300 Retained earnings	11,713,824	17	10,181,785	16
					2400 Other equity	1,838,333	3	1,101,914	2
					2500 Treasury shares	(754,821)	(1)	(219,132)	-
					Total equity attributable to owners of the parent	21,850,269	37	23,486,581	38
					2600 Non-controlling equity (Note 6(11))	8,870,400	15	8,126,084	12
					Total equity	30,720,669	50	31,612,665	50
					<b>Total liabilities and equity</b>	<b>60,736,070</b>	<b>100</b>	<b>62,825,613</b>	<b>100</b>

See accompanying notes to financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(2) and 7)	\$ 102,740,063	100	111,108,920	100
5000	Operating costs (Note 6(5), (6), (9), (12), (13), (21), 7, and 12)	87,948,997	86	96,148,202	87
5900	Gross profit	14,800,066	14	14,960,727	13
6000	Operating expenses (Notes 6(4), (12), (13), (14), (20), (22), (27), 7 and 10)				
6100	Sales promotion expenses	6,432,137	6	6,284,624	6
6200	Administrative expenses	2,745,034	3	2,803,804	2
6300	R&D expenses	179,962	-	147,470	-
6450	Expected credit impairment (gain) loss	106,237	-	(65,451)	-
	Total operating expenses	9,463,360	9	8,940,447	8
6900	Net operating profit	5,336,706	5	6,020,280	5
7000	Non-operating income and expenses (Notes 6(3), (10), (12), (14), (20), (21), (25), and 7)				
7100	Interest revenue	130,949	-	136,147	-
7020	Other gains and losses	741,360	1	504,209	-
7050	Financial cost	(619,952)	(1)	(652,496)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures accounted for using the equity method	39,585	-	(19,541)	-
	Total non-operating income and expenses	282,952	-	(51,681)	(1)
7900	Net profit before tax	5,619,658	5	5,968,599	4
7950	Less: Income tax expense (Note 6(13))	1,203,589	1	1,165,134	1
8100	Net profit for the period	4,416,069	4	4,803,465	3
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss (Note 6(8), (22) and (24))				
8311	Remeasurements of Defined Benefit Plans	12,750	-	3,448	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	80,497	-	24,813	-
8349	Income tax related to items not subject to reclassification	2,388	-	689	-
	Total of items not reclassified into profit or loss	95,595	-	28,550	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	656,269	1	(313,861)	-
8370	Share of other comprehensive income of affiliates and joint ventures under equity method	82,706	-	(33,234)	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	738,975	1	(347,085)	-
8300	Other comprehensive income (loss) for the period	834,570	1	(318,535)	-
8500	Total comprehensive income for the period	\$ 4,745,843	4	\$ 4,485,069	3
	Net profit for the period attributable to:				
8610	Owner of the parent company	\$ 3,520,380	3	4,069,204	2
8620	Non-controlling equity	885,680	1	734,261	1
		\$ 4,416,069	4	\$ 4,803,465	3
	Total comprehensive income attributable to:				
8710	Owner of the parent company	\$ 4,063,160	4	3,879,865	3
8720	Non-controlling equity	1,182,683	1	805,083	1
		\$ 5,245,843	5	\$ 4,685,069	4
	Earnings per share attributable to shareholders of the parent company (Note 6(25))				
9750	Basic earnings per share (Unit: NTD)	\$ 4.21		4.81	
9850	Diluted earnings per share (Unit: NTD)	\$ 4.19		4.80	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES**  
Consolidated Statements of Changes in Equity  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent											
	Share capital						Other equity					
							Exchange differences on translation of financial statements of foreign operations		Unrealized gain or loss on financial assets at fair value through other comprehensive income		Total equity attributable to owners of the parent company	
	Common stock capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total					Treasury shares	Non-controlling interests
Balance as of January 1, 2023	\$ 8,947,673	3,376,370	2,993,628	42,994	4,425,332	7,451,954	(863,132)	2,159,142	1,286,010	(219,132)	20,852,875	8,043,351
Net profit for the period	-	-	-	-	4,069,204	4,069,204	-	-	-	-	4,069,204	734,261
Other comprehensive income for the period	-	-	-	-	2,757	2,757	(218,909)	26,813	(192,096)	-	(189,339)	(128,176)
Total comprehensive income for the period	-	-	-	-	4,071,961	4,071,961	(218,909)	26,813	(192,096)	-	3,879,865	606,085
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	220,340	-	(220,340)	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,342,150)	(1,342,150)	-	-	-	-	(1,342,150)	-
Changes in other capital reserves:												
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	226,402	-	-	-	-	-	-	-	-	226,402	-
Cash dividends received by subsidiaries for holding shares of the parent company	-	73,589	-	-	-	-	-	-	-	-	73,589	-
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	(523,272)
Balance as of December 31, 2023	8,947,673	3,676,361	3,203,968	42,994	6,934,803	10,181,765	(1,082,041)	2,185,955	1,103,914	(219,132)	23,690,581	8,126,164
Net profit for the period	-	-	-	-	3,529,389	3,529,389	-	-	-	-	3,529,389	886,680
Other comprehensive income for the period	-	-	-	-	10,358	10,358	442,976	80,437	523,413	-	533,771	296,003
Total comprehensive income for the period	-	-	-	-	3,539,747	3,539,747	442,976	80,437	523,413	-	4,063,160	1,182,683
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	407,196	-	(407,196)	-	-	-	-	-	-	-
Declared common stock cash dividends	-	-	-	-	(1,968,488)	(1,968,488)	-	-	-	-	(1,968,488)	-
Changes in other capital reserves:												
Treasury Stocks Repurchase	-	-	-	-	-	-	-	-	-	(515,689)	(515,689)	-
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	375,582	-	-	-	-	-	-	-	-	375,582	-
Changes in ownership interests in subsidiaries	-	(66,918)	-	-	(37,324)	(37,324)	-	-	-	-	(104,242)	-
Cash dividends received by subsidiaries for holding shares of the parent company	-	109,027	-	-	-	-	-	-	-	-	109,027	-
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	(438,447)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,876)	(1,876)	-	2,228	2,228	-	352	-
Balance as of December 31, 2024	\$ 8,947,673	4,094,052	3,611,164	42,994	8,059,666	11,713,824	(639,065)	2,268,620	1,629,555	(734,821)	25,650,283	8,870,400

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
<b>Cash flow from operating activities:</b>		
Net income before tax for the period	\$ 5,619,658	5,968,599
Adjustments:		
Income and expenses		
Depreciation expense	2,595,612	2,333,802
Depreciation expense of biological assets	241,807	176,089
Amortization expense	32,257	33,311
Expected credit impairment loss (reversal gain)	106,227	(95,451)
Net gain on financial assets and liabilities measured at fair value through profit or loss	(208,225)	(63,298)
Interest expense	619,952	652,496
Interest revenue	(130,949)	(136,147)
Dividend revenue	(128,496)	(129,814)
Share of profit or loss of affiliated companies and joint ventures accounted for using the equity method	(30,595)	39,541
Losses (Gains) from the disposal of property, plant and equipment	(47,014)	48,993
Impairment loss of property, plant and equipment	(37,945)	(1,316)
Impairment loss of right-of-use assets	-	3,203
(Reversal gain) loss on inventory valuation and obsolescence	(91,858)	35,152
Inventory retirement loss	13,876	13,625
Changes in fair value of biological assets	2,197	(102,964)
Impairment (reversal gain) loss of biological assets	(31,961)	31,008
Total income and expense	2,924,885	2,838,230
Changes in assets and liabilities related to operating activities:		
Increase of financial assets measured at fair value through profit or loss	194,097	131,418
Decrease in notes receivable	412,676	103,407
Decrease in accounts receivable	32,726	49,803
Decrease (increase) in inventory	(1,199,424)	1,525,377
Changes in biological assets	(4,726)	(3,414)
Decrease in prepayments	135,363	371,722
Decrease (increase) of other current assets	34,829	(29,563)
Increase of other financial assets	57,149	73,207
Decrease in notes payable	(7,587)	(129,093)
Increase (decrease) in accounts payable	639,732	(541,054)
Increase (decrease) in other payables	(248,594)	414,943
Increase (decrease) in other current liabilities	608,612	(542,370)
Decrease in provision for employee benefits	(1,478)	(4,046)
Total net changes in assets and liabilities related to operating activities	653,375	1,420,337
Total adjustment items	3,578,260	4,258,567
Cash inflow from operations	9,197,918	10,227,166
Interest received	131,543	136,147
Income tax paid	(1,415,951)	(595,257)
Net cash inflow from operating activities	7,913,510	9,768,056
<b>Cash flow from investing activities:</b>		
Disposal of financial assets at fair value through other comprehensive income	(399)	-
Acquisition of property, plant and equipment	(4,203,213)	(4,634,216)
Disposal of property, plant and equipment	129,216	141,235
Acquisition of subsidiaries (less acquired cash)	(181,486)	-
Decrease (increase) of other non-current assets	(393,835)	(201,719)
Dividends received	128,496	129,814
Net cash outflow from investing activities	(4,521,221)	(4,564,886)

See accompanying notes to financial statements.

Great Wall Enterprise Co., Ltd.		
Profit Distribution		
2024		
Currency Unit: NT\$		
Balance as of January 1, 2024		4,559,118,369
Add (Less):		
Welfare project revaluation variable	9,553,577	
Actuarial gains recognized using the equity method	804,696	
Disposal of equity instruments at fair value through other comprehensive income	(1,876,133)	
Failure to participate proportionally in investee's share issuance resulting in reduction of net equity value	(37,323,995)	
Income after taxes for the year	3,529,388,510	
Earnings available for distribution		8,059,665,024
Less (Add):		
Legal reserve	350,054,666	
Distribution items		
Shareholder dividends - cash (NT\$2.8per share).	2,505,348,222	
Undistributed earnings at the end of the period		5,204,262,137

Note: (1) Dividend distribution for the year shall not exceed the amount available for distribution in the period.

(2) Dividends will be distributed preferentially based on the after-tax benefits in 2024.