

Munsin Garment Co., Ltd.

2024 Annual Report

Published on April 22, 2025

Company Website: <http://www.munsin.com.tw>
Website to view the annual report: <http://mops.twse.com.tw>

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

1. Spokesperson of the Company

Name: KUO CHIEN LUNG

Title: Administrative Vice President, Administration Division

Tel: (02)2299-7755

Email: munsin@ms7.hinet.net

Acting Spokesperson: CHEN YUNG CHANG

Title: General Affairs Office Manager

Tel: (02)2299-7755

Email: munsin@ms7.hinet.net

2. Company headquarters, branches, and plant contact details

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City (New Taipei Industrial Park)

Headquarters phone number: (02)2299-7755

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Taichung branch phone number: (04)2201-1051

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Kaohsiung branch phone number: (07)813-8088

3. Stock transfer agent

Name: Stock Affairs Department, Grand Fortune Securities Co.,Ltd

Address: 6 F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City

Website: <http://www.gfortune.com.tw>

Tel: (02)2371-1658

4. Attesting CPAs for the most recent fiscal year's financial statements

CPA Name: CHEN YI CHUN And CHEN YING JU

CPA firm name: KPMG Taiwan

Address: 68 F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

Website: <http://www.kpmg.com.tw>

Tel: (02)8101-6666

5. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: none.

6. Company website: <http://www.munsin.com.tw>

Munsin Garment Co., Ltd.
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I. Letter to shareholders

Dear Shareholders,

For the year 2024, the Company reported operating revenue of NT\$1,920,166 thousand, an increase of NT\$81,909 thousand from 2023, representing a growth rate of 4.46%. Net profit after tax for 2024 was NT\$248,074 thousand, a decrease of NT\$3,962 thousand from 2023, with a decline rate of 1.57%. Looking back at 2024, the surge in international travel led to an increased outflow of mid- to high-end consumer spending, which adversely impacted department store sales. As a result, the Company's net profit after tax for 2024 decreased compared to the previous year. Looking ahead to 2025, despite the ongoing strong trend of overseas travel, the peak period of new shopping mall openings is approaching. The introduction of distinctive business formats and categories is expected to create foot traffic and business opportunities. The Company must grasp market demand, introduce brands and products that are more suitable for the market needs, expand distribution channels, and integrate online and offline operations to enhance business performance. At this point, we also hope that all shareholders will continue to offer their valuable advice, support, and encouragement. Thank you!

1. Business Results for 2024

(1) Results of business plan implementation

The Company's operating revenue for the year 2024 was NT\$1,920,166 thousand, representing an increase of NT\$81,909 thousand compared to the operating revenue for 2023, with a growth rate of 4.46%. The net income after tax for 2024 was NT\$248,074 thousand, showing a decrease of NT\$3,962 thousand compared to the net income after tax for 2023, with a decline rate of 1.57%. Starting from May 2024, the Company introduced two new brands, SCOTTISH HOUSE and PEARLY GATES, which contributed positively to revenue. However, as consumers shifted their post-pandemic revenge spending from domestic goods to overseas travel, sales performance in department store channels was adversely affected. As a result, the Company's operating revenue and gross profit for 2024 showed modest year-on-year growth of 4.46% and 6.95%, respectively, with increases of NT\$81,909 thousand and NT\$67,650 thousand. In 2024, the recognition of employee remuneration expenses arising from the cash capital increase reserved for employee subscription, along with the expansion of sales counters due to the introduction

of new brands, led to an increase in operating expenses—including personnel expenses, depreciation, and utility costs—by NT\$70,278 thousand. As a result, operating profit decreased by NT\$2,628 thousand compared to the same period last year. Although investment income recognized under the equity method increased in 2024, the decrease in foreign exchange gains and the rise in interest expenses led to a reduction in non-operating income by NT\$1,967 thousand compared to the same period last year. As a result, net income after tax decreased by NT\$3,962 thousand year-on-year.

(2) Budget execution status

| Item | Actual amount (thousand dollars) | Budget amount (thousand dollars) | Achievement rate |
|------------------------|-------------------------------------|-------------------------------------|------------------|
| Operating revenue | 1,920,166 | 1,939,329 | 99.01% |
| Operating gross profit | 1,041,483 | 1,034,203 | 100.70% |
| Operating profit | 277,428 | 302,854 | 91.60% |
| Net income after tax | 248,074 | 251,706 | 98.56% |

The positive impact of introducing new brands was offset by a decline in department store channel performance due to the surge in outbound travel. As a result, the achievement rates for operating revenue and gross profit in 2024 were 99.01% and 100.70%, respectively. The achievement rates for operating profit and net profit after tax were 91.60% and 98.56%, respectively, primarily due to a higher-than-expected increase in actual operating expenses during 2024.

(3) Analysis of financial income/expenditure and profitability

A. Analysis of financial income and expenditure:

| Item | 2024 (thousand dollars) | 2023 (thousand dollars) | Increase (decrease) ratio |
|-----------------------------------|-------------------------|-------------------------|---------------------------|
| Net Operating profit | 277,428 | 280,056 | (0.94%) |
| Non-operating income and expenses | 32,847 | 34,814 | (5.65%) |
| Net income before tax | 310,275 | 314,870 | (1.46%) |

B. Profitability analysis:

| Item | 2024 | 2023 |
|------------------|--------|--------|
| Return on assets | 13.67% | 16.92% |

| Item | | 2024 | 2023 |
|-------------------------------|-----------------------|--------|--------|
| Return on equity | | 18.06% | 22.99% |
| Percentage of Paid-in Capital | Operating income | 42.93% | 51.27% |
| | Net income before tax | 48.01% | 57.64% |
| Net income ratio (after tax) | | 12.92% | 13.71% |
| Earnings per share (\$) | | 4.19 | 4.61 |

(4) Research and development status

The Company is engaged in the agency of branded apparel for sale in department stores and other shopping malls. Therefore, there is no research and development of related technology, and only the Company's agency and private brands that have been successfully licensed are described as follows:

| Brand name | Description |
|------------------------|--|
| Munsingwear | The Munsingwear golf apparel brand, symbolized by a penguin, originated in the United States and later gained widespread popularity in Japan. With over a hundred years of history, its bold yet refined craftsmanship has created the perfect blend of style and comfort, offering high-quality apparel suitable for both athletic and everyday wear. |
| le coq sportif GOLF | The le coq sportif GOLF collection offers a complete range of sports gear—from golf bags and protective accessories to specialized apparel and shoes designed with a focus on functionality. It showcases a clean and understated casual style, making it perfect not only for the golf course but also for everyday wear. |
| le coq sportif | Le coq sportif, with the spirit of sports at its core, uses the French national bird, the rooster, as its logo. The brand has created three main collections: French sports, trendy, and retro nostalgia, offering a wider range of products for the general public. |
| Felix Buhler | The brand, Felix Buhler, originated in Switzerland and primarily focused on selling equestrian sports products. Equestrian sports have long been regarded as activities for the nobility and upper class in |

| Brand name | Description |
|--------------|---|
| | Europe. The brand's flagship store in Zurich has become a popular tourist attraction due to its unique décor, featuring antiques and former horse stables. The apparel features a clean and sleek style, emphasizing comfort and soft body contours. Beyond casual wear, it can also be styled to create a professional and fashionable look suitable for the workplace. Perfect for successful persons who value both efficiency and taste, the design embodies the unique spirit of equestrianism relaxed yet refined, dynamic yet composed ushering in a new wave of fashion for golf and leisurewear. |
| HAZZYS | HAZZYS is a high-end casual fashion brand focused on the British collegiate style, targeting young and fashionable consumers. It combines the values and lifestyle of British aristocracy, emphasizing understated elegance, wearable aesthetics, and natural charm, reflecting the modern spirit of fashion and a love for life. |
| NARA CAMICIE | The NARA CAMICIE brand from Italy offers a variety of beautiful outfits for working women, allowing them to dress stylishly for different times, occasions, and locations. In addition to its elegant line designs, the brand's vibrant colors, tailored styles, and comfortable fabrics are key reasons why it is favored by consumers in the Asian market. |
| ココデール | The Japanese sweet-style brand COCODEAL blends charming personality with elegance. Through trendy fashion designs featuring unique prints and garment cuts, it showcases the sweet and romantic charm unique to Japanese women. |
| POU DOU DOU | With a history of over 35 years, POU DOU DOU was founded in 1982 and named after the sound of birdsong, symbolizing the brand's intention to accompany young women in their daily lives through subtle details in clothing. Its designs embrace a youthful and charming forest-inspired style. Featuring loose, cute silhouettes and cheerful patterns and colors, the brand encourages effortless styling that allows |

| Brand name | Description |
|----------------|--|
| | wearers to express their own sense of fashion. |
| DANSKIN | The American century-old brand DANSKIN inherits its ballet dance legacy and extends it to a gentle yoga lifestyle. It emphasizes beauty from the inside out, creating a unique taste for modern women, and promotes a confident and joyful urban athletic lifestyle, , with the goal of "Awaken Your Beauty live beautifully." |
| bossini.X | After more than 30 years of development, Bossini is now restarting a new chapter with the brand-new image of "Bossini X." It incorporates a "keep real" attitude and street cool vibes into everyday wear Put on your outfit, and you'll find punchlines everywhere in life. |
| and per se | The Japanese golf apparel brand and per se takes its name from Latin, where the "&" symbol represents "and," and "per se" means "by itself." This signifies the combination of different elements, with "quality, functionality, and fashion" as the core values of the brand, bringing a new level of enjoyment to both golf and fashion. |
| PEARLY GATES | The fashion-forward golf apparel brand PEARLY GATES from Japan embodies noble spirit and taste, offering high-end, pure, and impeccable fashion charm. |
| SCOTTISH HOUSE | Established in 2001, SCOTTISH HOUSE embodies the brand spirit through its signature red-and-black tartan patterns and Scottish Terrier motif, infused with elegance, simplicity, and a refined, socialite-inspired style. |

2. Summary of 2025 business plan

(1) Business strategy

Due to the increasing popularity of sports, the current trend combines sports, leisure, and fashion. The Company has identified the integration of sports and leisure with fashion as its primary development direction. In terms of channel operations, we focus on developing potential yet mature existing shopping centers, keeping a close eye on the development trends of commercial districts. We aim to introduce suitable brands in new

shopping malls (such as Nangang LaLaport), existing department stores, outlets, distributors, and franchise stores. In addition, underperforming sales counters will be closed to enhance overall operational performance. Besides physical channels, the Company integrates online and offline operations by connecting e-commerce sales platforms, developing a membership economy, and providing a seamless consumer experience both online and offline, thereby strengthening member loyalty." The Company will continue to monitor market trends and introduce products that better meet market needs. We will also enhance employee training programs to solidify a customer-first philosophy and establish a comprehensive customer service network to increase brand value.

(2) Estimated sales volume and basis

The estimated sales volume for the year 2025 is based on the Company's operational strategies, person business unit targets and budgets, as well as reasonable assumptions derived from overall industry trends and past performance. The projected sales volumes are as follows:

| Product name | Estimated sales volume for 2025 (thousand units) |
|--------------|---|
| Apparel | 939 |
| Accessories | 207 |

(3) Key Production and Sales Policies

For its existing brands, the Company implements rigorous performance evaluation and management practices, including the closure of underperforming sales locations and the continued strengthening of operations at existing outlets. By leveraging data analysis, the Company enhances the precision of product design and procurement. In conjunction with tiered management of retail channels, it formulates targeted sales strategies based on market segmentation, with the goal of increasing gross margins and effectively reducing inventory levels.

The Company is committed to offering high-quality services and well-designed brands and products. Through promotion via traditional media and social media platforms,

it seeks to strengthen brand positioning and enhance brand value. At the same time, the Company closely monitors fashion trends and continues to develop a diversified range of products to expand into new markets.

Regarding its policy in mainland China, the Company enters into joint ventures with local partners, with operations managed by the local firms. It implements effective marketing strategies tailored to the needs of local consumers in order to maximize profitability.

3. Future development strategies of the Company

- (1) To introduce brands and products that meet market demand.
- (2) To strengthen brand image through interactions with consumers via various media and social networking platforms.
- (3) To establish a customer-first philosophy through training and education and to provide high-quality services in both product quality and service attitude.

4. Influence of external competitive environment, regulatory environment, and overall business climate

- (1) In the highly competitive environment of Taiwan's boutique industry, the Company has a history of over forty years in the fashion and boutique market. Over this period, it has accumulated valuable expertise and extensive industry experience, establishing a strong reputation and goodwill within the industry. Although the fashion and boutique market evolves rapidly, the Company possesses a well-developed marketing strategy and continuously improving management practices, enabling it to effectively respond to changes in the external environment.
- (2) From a regulatory perspective, the Executive Yuan approved an adjustment to the minimum wage in September 2024. Effective January 2025, the monthly minimum wage will be adjusted to \$28,590, and the hourly minimum wage will be adjusted to \$190. Since the salaries of the Company's regular employees all exceed the minimum wage threshold, and the wages of a small number of part-time employees are adjusted in accordance with the regulations, the adjustment to the minimum wage has no significant impact on the Company's operations.
- (3) In terms of the overall business environment, according to statistical data released by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the economic

growth rate for 2024 is forecasted to be 4.27%. Real wages are expected to grow steadily, contributing to an increase in household disposable income, which will support the momentum of private consumption growth. The economic growth rate for 2025 is projected to be 3.29%, and the growth in public income is expected to boost purchasing power. While outbound travel remains strong, 2025 will also see a peak in the opening of new shopping malls, featuring distinctive business models and industries. This is expected to create increased foot traffic and business opportunities. As a result, the industry is anticipated to experience moderate growth in 2025.

5. Conclusion

From the above business performance and business plan report, it is clear that the company continues to improve and maintain its operating performance in a highly competitive industry environment, reflecting the hard work and dedication of the management team. Looking ahead to this year (2025), all employees will continue to uphold the spirit of striving for excellence, creating better results, and living up to the support and high expectations of our shareholders.

Wishing you

all good health and prosperity.

Chairperson LI CHIUN LIANG

II. Corporate governance report

1. Information on directors, president, vice presidents, assistant vice presidents, and heads of departments and branches

(1) Information on directors

A. Directors

Information on directors

Unit: Shares; March 30, 2025

| Title | Nationality or place of registration | Name | Gender / age | Date of election (or appointment) | Term of office | Initial election date | Number of shares held at the time of election | | Current number of shares held | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Current positions in the company and other companies | Other executives or directors with spousal or second-degree kinship | | | Remarks (note 1) |
|--------------------------|--------------------------------------|----------------|-------------------------|-----------------------------------|----------------|-----------------------|---|--------------------|-------------------------------|--------------------|--|--------------------|---|--------------------|---|--|---|-------------|-----------|------------------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Chairperson of the Board | R.O.C. | LI CHIUN LIANG | Male 71-80 years old | 2022.06. 06 | 3 years | 1986.10. 22 | 2,700,854 | 4.94% | 3,073,398 | 4.76% | None | None | None | None | Department of Accounting, Fu Jen Catholic University President, Munsin Garment Co., Ltd. | Chairperson of Munsin (Shanghai) Trading Co., Ltd. Director of Bidford Holdings Limited | Director | LI CHIUN MI | Brothers | None |

| Title | Nationality or place of registration | Name | Gender / age | Date of election (or appointment) | Term of office | Initial election date | Number of shares held at the time of election | | Current number of shares held | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Current positions in the company and other companies | Other executives or directors with spousal or second-degree kinship | | | Remarks (note 1) |
|----------|--------------------------------------|-------------|------------------------------|-----------------------------------|----------------|-----------------------|---|--------------------|-------------------------------|--------------------|--|--------------------|---|--------------------|---|---|---|----------------|-----------|------------------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Director | Japan | GOTO KENJI | Male 51-60 years old | 2022.06.06 | 3 years | 2022.06.06 | 10,000 | 0.02% | 55,020 | 0.09% | None | None | None | None | Department of Business Administration, Business Administration, Aoyama Gakuin University Head of Customer Counseling Office, DESCENTE LTD. (Japan) Munsingwear Sales Director, DESCENTE LTD. (Japan) Head of Marketing Department, GOLF, DESCENTE LTD. (Japan) | President, Munsin Garment Co., Ltd. | None | None | None | None |
| Director | R.O.C. | LI CHIUN MI | Male 71-80 years old | 2022.06.06 | 3 years | 1989.10.27 | 1,377,792 | 2.52% | 839,323 | 1.30% | 893,433 | 1.38% | None | None | Department of Newspaper Administration, Shih Hsin University President, Munsin Garment Co., Ltd. | None | Chairperson of the Board | LI CHIUN LIANG | Brothers | None |
| Director | R.O.C. | LI DERING | Female 51-60 years old | 2022.06.06 | 3 years | 2016.06.07 | 2,567,115 | 4.70% | 2,919,567 | 4.52% | None | None | None | None | Graduate School, Pittsburgh State University Department of Botany, Chinese Culture University Supervisor, China Times Publishing Co. Ltd. | President, Qunying International Development Co., Ltd. Representative of Corporate Director, China Times Publishing Co. Ltd. | None | None | None | None |

| Title | Nationality or place of registration | Name | Gender / age | Date of election (or appointment) | Term of office | Initial election date | Number of shares held at the time of election | | Current number of shares held | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Current positions in the company and other companies | Other executives or directors with spousal or second-degree kinship | | | Remarks (note 1) |
|----------|--------------------------------------|--------------------------------|----------------------|-----------------------------------|----------------|-----------------------|---|--------------------|-------------------------------|--------------------|--|--------------------|---|--------------------|--|---|---|------|-----------|------------------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Director | Japan | DESCENTE Ltd. (Japan) | None | 2022.06.06 | 3 years | 2012.06.08 | 6,825,000 | 12.49% | 8,325,000 | 12.88% | None | None | None | None | None | None | None | None | None | None |
| | Japan | Representative: MIYAYAMA NAOTO | Male 51-60 years old | 2024.06.01 (note 2) | 3 years | 2024.06.01 (note 2) | None | None | None | None | None | None | None | None | Head of the Brand Marketing Department, DESCENTE Ltd. (Japan) | Executive Officer and Head of the Brand Marketing Department, DESCENTE Ltd. (Japan) | None | None | None | None |
| Director | R.O.C. | JACKSIYA INVESTMENT CO., LTD. | None | 2022.06.06 | 3 years | 2013.06. 11 | 5,334,439 | 9.77% | 6,151,206 | 9.52% | None | None | None | None | None | Corporate Director, China Times Publishing Co. Ltd. | None | None | None | None |
| | R.O.C. | Representative: TSAI SHIH YUNG | Male 61-70 years old | 2022.06.06 | 3 years | 2013.06. 11 | None | None | None | None | None | None | None | None | Graduate Institute of Applied Chemistry, Chinese Culture University Chairman, Jin Biao Construction Co., Ltd. President, Rotary Club of Taichung Port North, 2006–2007 | Chairman and President, Jacksiya Investment Co., Ltd. Director, Jin Biao Construction Co., Ltd. Representative of Corporate Director, China Times Publishing Co. Ltd. | None | None | None | None |

| Title | Nationality or place of registration | Name | Gender / age | Date of election (or appointment) | Term of office | Initial election date | Number of shares held at the time of election | | Current number of shares held | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Current positions in the company and other companies | Other executives or directors with spousal or second-degree kinship | | | Remarks (note 1) |
|----------------------|--------------------------------------|---------------|-------------------------|-----------------------------------|----------------|-----------------------|---|--------------------|-------------------------------|--------------------|--|--------------------|---|--------------------|---|---|---|------|-----------|------------------|
| | | | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Independent director | R.O.C. | HUANG BO CHEN | Male 71-80 years old | 2022.06.06 | 3 years | 2004.06.29 | None | None | None | None | None | None | None | None | Graduate Institute of Accounting, National Chengchi University Certified Public Accountant, HUANG BO CHEN Certified Public Accountant Firm, | Person in Charge, Bao De Certified Public Accountant Firm | None | None | None | None |
| Independent director | R.O.C. | JAN HUNG TU | Male 61-70 years old | 2022.06.06 | 3 years | 2022.06.06 | 10,863 | 0.02% | 12,354 | 0.02% | 290 | 0.00% | None | None | EMBA, Department of Business Administration, Ling Tung University Board Chairperson, Shin Shin Public Markets Co., Ltd. President, Taichung Downtown Lions Club | None | None | None | None | None |
| Independent director | Japan | HOSONUMA ISAO | Male 71-80 years old | 2022.06.06 | 3 years | 2022.06.06 | None | None | None | None | None | None | None | None | Faculty of Political Science and Economics, Seikei University (Private), Japan Vice President, Business Division, Shin Kong Mitsukoshi Department Store Co., Ltd. | None | None | None | None | None |

Note 1: The Chairman and the President of the Company are not the same person, nor are they spouses or first-degree relatives.

Note 2: On June 1, 2024, the Corporate director, DESCENTE, LTD. (Japan), appointed MIYAYAMA NAOTO as the new representative, and the previous representative, SHINJI UYEYAMA, has resigned.

B. Main shareholders of the juristic person shareholders

Table 1: Main shareholders of the juristic person shareholder name

March 30, 2025

| Juristic person shareholder name (note 1) | Main shareholders of th juristic person shareholder name (note 2) |
|---|--|
| Descentic Ltd. (Japan) | BS インベストメント(44.44%) (註 4) 日本マスタートラスト信託銀行株式会社（信託口）(5.36%) 日本生命保険相互会社 (4.29%) BNY GCM CLIENT ACCOUNT JPRD AC ISG（FE-AC）(4.15%) 帝人フロンティア株式会社 (2.80%) 株式会社三井住友銀行 (2.53%) 公益財団法人石本記念デサントスポーツ科学振興財団 (2.19%) MSIP CLIENT SECURITIES (2.17%) JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO (1.58%) 株式会社日本カストディ銀行（信託口）(1.55%) |
| Jacksiya Investment Co., Ltd. | Tsai Shih Yung (50%) |

Note 1: For directors who are representatives of juristic person shareholders, the name of the juristic person shareholder shall be filled in.

Note 2: The name of the major shareholder of the juristic person shareholder (whose shareholding percentage is among the top ten) and its shareholding percentage should be filled in. If the major shareholder is a juristic person, the information in Table 2 should be provided.

Note 3: For corporate shareholders that are not organized as companies, the aforementioned shareholder names and shareholding percentages to be disclosed shall refer to the names of the contributors or donors (as may be verified through the Judicial Yuan's public announcements) and their respective contribution or donation ratios. If a donor is deceased, the notation "deceased" shall be added.

Note 4: BS インベストメント株式会社 is a foreign company that does not publicly issue shares, and there is no publicly available information on its major shareholders.

C. Disclosure of professional qualifications of directors and independence information of independent directors

(A) Professional qualifications and experience of directors

| Name | Professional qualifications and experience |
|--|---|
| Chairperson of the Board LI CHIUN LIANG | Mr. LI CHIUN LIANG graduated from the Department of Accounting at Fu Jen Catholic University and currently serves as the Chairperson of the Company. He possesses over five years of experience in business, finance, and corporate operations. With nearly 45 years dedicated to the department store and retail industry, he has developed a global perspective and strong capabilities in professional leadership, marketing, operational management, strategic planning, and crisis management. Under his leadership, the Company has become an industry pioneer and is progressing toward sustainable development. |
| Director GOTO KENJI | Mr. Kenji Goto graduated from the Department of Business Administration, School of Business, Aoyama Gakuin University in Japan, and currently serves as the President of the Company. He previously worked at DESCENTE Ltd., a Japanese corporation, and possesses over five years of experience in business, finance, and corporate operations. With a global perspective, he specializes in market strategy and business development, is well-versed in the department store industry, and demonstrates innovative leadership and operational management capabilities. |
| Director LI CHIUN MI | Mr. LI CHIUN MI graduated from the Department of Newspaper Administration at Shih Hsin University and previously served as the President of the Company. He possesses over five years of experience in business, finance, and corporate operations. Well-acquainted with the department store industry, he has a global perspective and demonstrates strong capabilities in market competitiveness analysis, innovative leadership, and operational management. |
| Director LI DERING | Ms. LI DERING graduated from the graduate program of Pittsburg State University and currently serves as the President of Qunying International Development Co., Ltd. and the representative of juristic person of China Times Publishing Co., Ltd. She possesses over five years of experience in business, finance, and corporate operations. She specializes in corporate finance and human resource development in the construction sector, and has extensive experience in the construction and |

| Name | Professional qualifications and experience |
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| | human resources industries. |
| Corporate director Representative MIYAYAMA NAOTO | Mr. MIYAYAMA NAOTO is an Executive Officer and Head of the Brand Marketing Department at DESCENTE JAPAN Ltd., a subsidiary of DESCENTE Ltd., a major shareholder of the Company. He possesses over five years of experience in business, finance, and corporate operations. With a global perspective, he specializes in apparel product planning and business development, is well-versed in apparel production and market sales, and demonstrates strong capabilities in innovative leadership and operational management. |
| Corporate director Representative TSAI SHIH YUNG | Mr. Tsai Shih Yung graduated from the Graduate Institute of Applied Chemistry at Chinese Culture University and currently serves as Chairman and President, Jacksiya Investment Co., Ltd. Director, Jin Biao Construction Co., Ltd., and representative of Corporate director, China Times Publishing Co. Ltd. He possesses over five years of experience in business, finance, and corporate operations. He specializes in market strategy and investment planning and has extensive experience in the construction industry. |
| Independent director HUANG BO CHEN | Mr. Huang Bo Chen graduated from the Graduate Institute of Accounting at National Chengchi University and holds a certified public accountant qualification, with over 40 years of professional practice. He currently serves as the Managing Partner of Bao De Certified Public Accountant Firm and is the convener of both the Remuneration Committee and the Audit Committee of the Company. He possesses more than five years of experience and professional qualifications in business, finance, accounting, and corporate operations, and specializes in corporate finance and accounting affairs. |
| Independent director JAN HUNG TU | Mr. JAN HUNG TU graduated from the Executive Master of Business Administration (EMBA) Program in Business Administration at Ling Tung University. He previously served as Chairman of Shin Shin Public Markets Co., Ltd. and is currently a member of both the Remuneration Committee and the Audit Committee of the Company. He possesses over five years of experience in business, finance, and corporate operations. Well-acquainted with the department store industry, he has strong capabilities in market competitiveness analysis and operational management. |

| Name | Professional qualifications and experience |
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| Independent director HOSONUMA ISAO | Mr. Hsi Chao Kung graduated from the Faculty of Political Science and Economics at Seikei University, a private university in Japan. He has nearly 20 years of experience in the department store retail industry and has held key positions at Shin Kong Mitsukoshi Department Store Co., Ltd., including Associate General Manager of the Nanxi Store, Kaohsiung Store, and the Merchandise Department, as well as Deputy General Manager of the Business Division. He is currently a member of both the Remuneration Committee and the Audit Committee of the Company. Mr. Hsi possesses more than five years of experience in business, finance, and corporate operations. He specializes in mall planning, merchandise development, and operational affairs, and has extensive experience in the department store industry. |

(B) Director independence information

| Name | Independence status | Number of other public companies where serving as an independent director |
|--|---|---|
| Chairperson of the Board LI CHIUN LIANG | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not a director, supervisor, or employee of a juridic person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(2) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the</p> | None |

| Name | Independence status | Number of other public companies where serving as an independent director |
|------------------------|---|---|
| | <p>Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(4) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(5) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(6) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| Director GOTO KENJI | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(2) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(3) The person is not a director, supervisor, or employee of a juridic person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently</p> | None |

| Name | Independence status | Number of other public companies where serving as an independent director |
|---------------------------------|---|---|
| | <p>serves as an independent director of the company and its parent company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(4) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(5) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(6) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(7) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(8) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(9) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| <p>Director LI CHIUN MI</p> | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated</p> | <p>None</p> |

| Name | Independence status | Number of other public companies where serving as an independent director |
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| | <p>enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not a director, supervisor, or employee of a juridic person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(4) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(5) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(6) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the</p> | |

| Name | Independence status | Number of other public companies where serving as an independent director |
|-----------------------|---|---|
| | <p>Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(8) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| Director LI DERING | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2).</p> <p>(4) The person is not a director, supervisor, or employee of a juridical person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(5) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(6) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company,</p> | None |

| Name | Independence status | Number of other public companies where serving as an independent director |
|---|--|---|
| | <p>subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(8) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(9) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(10) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(11) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| <p>Corporate director Representative MIYAYAMA NAOTO</p> | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> | <p>None</p> |

| Name | Independence status | Number of other public companies where serving as an independent director |
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| | <p>(3) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(4) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2).</p> <p>(5) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(6) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(8) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(9) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> | |
| Corporate director Representative | The following independence criteria have been met during the two years prior to appointment and throughout the term of service. | None |

| Name | Independence status | Number of other public companies where serving as an independent director |
|----------------|---|---|
| TSAI SHIH YUNG | <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(4) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2), (3).</p> <p>(5) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(6) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> | |

| Name | Independence status | Number of other public companies where serving as an independent director |
|---------------------------------------|---|---|
| | <p>(8) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(9) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(10) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> | |
| Independent director HUANG BO CHEN | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(4) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2), (3).</p> <p>(5) The person is not a director, supervisor, or employee of a juridical person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently serves as an independent director of the company and its parent</p> | None |

| Name | Independence status | Number of other public companies where serving as an independent director |
|------|---|---|
| | <p>company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(6) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(8) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(9) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(10) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> | |

| Name | Independence status | Number of other public companies where serving as an independent director |
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| | <p>(11) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(12) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| <p>Independent director JAN HUNG TU</p> | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(4) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2), (3).</p> <p>(5) The person is not a director, supervisor, or employee of a juridic person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(6) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general</p> | <p>None</p> |

| Name | Independence status | Number of other public companies where serving as an independent director |
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| | <p>manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(8) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(9) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(10) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(11) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(12) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |
| <p>Independent director HOSONUMA ISAO</p> | <p>The following independence criteria have been met during the two years prior to appointment and throughout the term of service.</p> <p>(1) The person is not an employee of the Company or its affiliated enterprises.</p> <p>(2) The person is not a director or supervisor of the company or its affiliated enterprises (except where the person concurrently serves as an independent director of the company and its parent company,</p> | <p>None</p> |

| Name | Independence status | Number of other public companies where serving as an independent director |
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| | <p>subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(3) The person is not the person, their spouse, minor children, or a natural person shareholder holding more than 1% of the Company's issued shares or among the top ten shareholders, whether in their own name or in the name of another person.</p> <p>(4) The person is not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed in (1) or the persons listed in (2), (3).</p> <p>(5) The person is not a director, supervisor, or employee of a juridical person shareholder that directly holds more than 5% of the Company's total outstanding shares, ranks among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (except in cases where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary under the same parent company, in accordance with the Company Act or local laws and regulations).</p> <p>(6) The person is not a director, supervisor, or employee of another company whose board seats or voting shares exceeding one-half are controlled by the same person as the Company (except where the person concurrently serves as an independent director of the company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(7) The person is not a director (or equivalent), supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent position of the Company is the same person or spouse (except where the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(8) The person is not a director (or board member), supervisor, manager, or shareholder holding more than 5% of the shares of any specific company or institution having financial or business dealings with the Company (except in cases where such specific company or institution holds 20% or more but less than 50% of the total issued shares of the</p> | |

| Name | Independence status | Number of other public companies where serving as an independent director |
|------|--|---|
| | <p>Company, and the person concurrently serves as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, in accordance with the Company Act or the laws and regulations of the local jurisdiction).</p> <p>(9) The person is not a professional, sole proprietor, partner, director, supervisor, manager, or the spouse of any such person in a sole proprietorship, partnership, company, or organization that provides auditing services to the Company or its affiliates, or that has received cumulative remuneration exceeding NT\$500,000 within the past two years for providing commercial, legal, financial, accounting, or other related services. However, this does not apply to members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who perform their duties pursuant to the Securities and Exchange Act or relevant provisions of the Business Mergers And Acquisitions Act.</p> <p>(10) The person does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</p> <p>(11) Not subject to any of the circumstances listed under Article 30 of the Company Act.</p> <p>(12) Not elected in accordance with Article 27 of the Company Act as a government agency, juristic person, or representative thereof.</p> | |

D. Board diversity

The Company advocates and respects the policy of board diversity. To strengthen corporate governance and promote the sound development of the board's composition and structure, we believe that a diversified approach contributes to improving the overall performance of the Company. The selection of board members is based on the principle of merit, ensuring that they possess diverse and complementary abilities across various industries. This includes basic attributes such as age, gender, and nationality, as well as industry experience and relevant skills, such as investment, finance, accounting, and development, as well as business judgment, management, leadership decision-making, and crisis management abilities.

In our "Corporate Governance Best Practice Principles," it is clearly stated that the composition of the board should consider diversity, without restrictions on gender, race,

or nationality. In addition to possessing the knowledge, skills, and competencies necessary for performing their duties, the overall capabilities of the board should include: 1. Operational judgment capabilities. 2. Accounting and financial analysis capabilities. 3. Business management abilities. 4. Crisis management skills. 5. Industry knowledge. 6. International market perspective. 7. Leadership skills. 8. Decision-making capabilities and other diverse professional backgrounds.

The board consists of 9 directors, including 3 independent directors. Among the board members, 11% have employee status, 33% are independent directors, and there is one female director, accounting for 11% of the total. Currently, the percentage of female directors has not yet reached one-third. The Company will continue to monitor the development of board diversity and, based on the Company's needs and the availability of qualified candidates, make adjustments as necessary to enhance the diversity and decision-making quality of the board.

As of the end of 2024, there are 3 board members aged between 51 and 60, 2 board members aged between 61 and 70, and 4 board members aged between 71 and 80. Among the 3 independent directors, 1 has served for more than three years. All meet the qualifications and criteria required by the regulations for independent directors and are well-acquainted with the Company's operations. The implementation status is as follows:

| Name | Title | Nationality | Gender | Employee status | Age | | | Term of service of independent directors | | Core competencies in diversity | | | | | | |
|----------------|-----------------------------------|-------------|--------|-----------------|-----------------|-----------------|-----------------|--|--------------|--------------------------------|------------------------------|------------------------|------------------------------|---------------------------|----------------------------|---------------------|
| | | | | | 51-60 years old | 61-70 years old | 71-80 years old | Under 3 years | Over 3 years | Business and investment | Construction and development | Finance and accounting | Production and manufacturing | Marketing and advertising | Information and technology | Risk and management |
| LI CHIUN LIANG | Chairperson of the Board | R.O.C. | Male | | | | V | | | V | | V | | V | V | V |
| GOTO KENJI | Director | Japan | Male | V | V | | | | | V | | V | | V | V | V |
| LI CHIUN MI | Director | R.O.C. | Male | | | | V | | | V | | V | | V | V | V |
| LI DERING | Director | R.O.C. | Female | | V | | | | | V | V | V | | V | | V |
| MIYAYAMA NAOTO | Corporate director Representative | Japan | Male | | V | | | | | V | | V | V | V | V | V |
| TSAI SHIH YUNG | Corporate director Representative | R.O.C. | Male | | | V | | | | V | V | V | V | V | | V |
| HUANG BO CHEN | Independent director | R.O.C. | Male | | | | V | | V | V | | V | | | | V |
| JAN HUNG TU | Independent director | R.O.C. | Male | | | V | | V | | V | | V | | V | | V |
| HOSONUMA ISAO | Independent director | Japan | Male | | | | V | V | | V | | V | | V | | V |

E. Specific management goals and achievements regarding board diversity policy

| Management goal | Achievement status |
|---|---|
| No more than one-third of the board members concurrently serve as company managers. | Achieved |
| At least one female director shall be included among the board members. | Achieved |
| The consecutive term of independent directors shall not exceed three terms. | 67% Achieved Independent Director Mr. HUANG BO CHEN has served as an independent director of the Company for more than three consecutive terms. Given his professional background in finance and accounting, as well as his familiarity with relevant laws and |

| Management goal | Achievement status |
|-----------------|--|
| | regulations and experience in corporate governance, his continued service has been significantly beneficial to the Company, allowing him to fully apply his expertise. |

F. Independence of the board of directors

- (A) The Company's board of directors consists of 9 members, of whom 3 are independent directors, accounting for 33% of the board. The Company has established an Audit Committee to replace the function of supervisors. All independent directors meet the independence criteria as stipulated in Articles 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."
- (B) None of the directors are related to each other by marriage or within the second degree of kinship (i.e., no circumstances specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act apply).
- (C) All directors maintain a high degree of self-discipline. When matters presented at board meetings involve a conflict of interest with themselves or with the legal entities they represent, they must clearly explain the material aspects of such conflicts at the meeting. If such conflicts may be detrimental to the interests of the Company, the director shall neither participate in the discussion or voting nor act as a proxy for other directors in voting on such matters.

(2) Information of the president, vice president, assistant vice presidents, and heads of departments and branch offices

Information of the president, vice president, assistant vice presidents, and heads of departments and branch offices

March 30, 2025

| Title | Nationality | Name | Gender | Date of election (or appointment) | Shareholding | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Concurrent key positions in other companies | Managers with spousal or second-degree kinship relationships | | | Remarks (note) |
|--|-------------|----------------|--------|-----------------------------------|------------------|--------------------|--|--------------------|---|--------------------|---|---|--|------|-----------|----------------|
| | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| President | Japan | GOTO KENJI | Male | 2022.07.01 | 55,020 | 0.09% | None | None | None | None | Department of Business Administration, Business Administration, Aoyama Gakuin University Head of Customer Counseling Office, DESCENTE LTD. (Japan) Munsingwear Sales Director, DESCENTE LTD. (Japan) Head of Marketing Department, GOLF, DESCENTE LTD. (Japan) | None | None | None | None | None |
| Business division Vice president | R.O.C. | LIN YUAN YU | Male | 2020.07.01 | 20,000 | 0.03% | None | None | None | None | Department of Electronic Engineering, Far East College of Engineering and Technology Assistant Vice President, Men's Apparel Sales Department 1, Munsin Garment Co., Ltd. Specialist, I Ta Sport's Equipment Co., Ltd. | None | None | None | None | None |
| Administration Division Vice President of Administration | R.O.C. | KUO CHIEN LUNG | Male | 2021.04. 01 | None | None | None | None | None | None | Department of Industrial Engineering, Chung Yuan Christian University Assistant Vice President and Spokesperson, Administration Division, Munsin Garment Co., Ltd. Deputy Manager, Computer Office, Munsin Garment Co., Ltd. | None | None | None | None | None |

| Title | Nationality | Name | Gender | Date of election (or appointment) | Shareholding | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Concurrent key positions in other companies | Managers with spousal or second-degree kinship relationships | | | Remarks (note) |
|--|-------------|----------------|--------|-----------------------------------|------------------|--------------------|--|--------------------|---|--------------------|---|---|--|------|-----------|----------------|
| | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Assistant Vice President, Men's Apparel Sales Department 1 | R.O.C. | LI JIAN RUEY | Male | 2021.04. 01 | 2,450,712 | 3.79% | None | None | None | None | Department of Information Management, Huafan University Brand Manager, Men's Apparel Sales Department 1, Munsin Garment Co., Ltd. Senior Engineer, WITS Corp. | None | None | None | None | None |
| Assistant Vice President of Clearance Merchandise Distribution, Men's Apparel Sales Department 1 | R.O.C. | HO CHI YUAN | Male | 2014.09. 16 | 4,000 | 0.01% | 9,643 | 0.01% | None | None | Department of Sociology, Tunghai University Assistant Vice President of Clearance Merchandise Distribution, Men's Apparel Sales Department 1, Munsin Garment Co., Ltd. Market Researcher, Lien Ya Advertising Company | None | None | None | None | None |
| Assistant Vice President, Men's Apparel Sales Department 2 | R.O.C. | CHOU CHAO YU | Female | 2020.09.16 | None | None | None | None | None | None | Department of Business Administration, Chinese Municipal Vocational School Brand Manager, Women's Apparel Sales Department 2, Munsin Garment Co., Ltd. Sales Manager, Tommy Hilfiger Co., Ltd. | None | None | None | None | None |
| Assistant Vice President, Women's Apparel Sales Department 1 | R.O.C. | CHOU SUNG YU | Female | 2013.10.01 | 48,987 | 0.08% | None | None | None | None | Department of International Business, Ming Chuan University Brand Manager, Women's Apparel Sales Department 1, Munsin Garment Co., Ltd. Assistant Manager, EVERGEEN Department | None | None | None | None | None |
| Assistant Vice President, Women's Apparel Sales Department 2 | R.O.C. | LIN CHIU CHING | Female | 2020.09.16 | None | None | None | None | None | None | Department of Clothing, Bunka Gakuen University (Japan) Brand Manager, Women's Apparel Sales Department 1, Munsin Garment Co., Ltd. Brand Manager, Sun Din Trade Ltd. | None | None | None | None | None |

| Title | Nationality | Name | Gender | Date of election (or appointment) | Shareholding | | Number of shares held by spouse and minor children | | Number of shares held under others' names | | Major experience / education | Concurrent key positions in other companies | Managers with spousal or second-degree kinship relationships | | | Remarks (note) |
|--|-------------|-----------------|--------|-----------------------------------|------------------|--------------------|--|--------------------|---|--------------------|--|--|--|------|-----------|----------------|
| | | | | | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | | | Title | Name | Relations | |
| Assistant Vice President, Women's Apparel Sales Department 3 | R.O.C. | CHU HUNG CHI | Male | 2024.05. 01 | None | None | None | None | None | None | Program of Architectural Drafting, Kai-Nan High School Assistant Vice President, Dragon Gate Enterprise Co., Ltd. Manager, Mayfair House Co., Ltd. | None | None | None | None | None |
| Finance Division Assistant Vice President | R.O.C. | LI HSIANG FANG | Female | 2013.10.01 | None | None | 334 | 0.00% | None | None | Department of Business Management, Taipei Business School Senior Manager of the Finance Division, Munsin Garment Co., Ltd. Accountant, Lai Lai Department Stores Co. Ltd. | Director of Chi Hsien Traffic Information Consulting Co., Ltd. | None | None | None | None |
| Finance Division Assistant Vice President | R.O.C. | HUNG SHIH HUI | Female | 2020.09.16 | None | None | None | None | None | None | Department of Business Management, Taipei Business School Senior Manager of the Finance Division, Munsin Garment Co., Ltd. Accountant and procurement staff, Shin Chin Iron Works Co., Ltd. | None | None | None | None | None |
| Corporate Governance Manager | R.O.C. | CHEN CHIEN MING | Male | 2023.06. 01 | 50,963 | 0.08% | 59,590 | 0.09% | None | None | Department of Business Administration, Ming Chuan University Assistant Manage, Administration Divisionr, Munsin Garment Co., Ltd. Senior Specialist, President's Office, In Win Development Inc. | None | None | None | None | None |

Note: The Chairperson and the President of the Company are not the same person, nor are they spouses or first-degree relatives.

2. Remuneration paid to directors, supervisors, president, and vice presidents in the most recent fiscal year

(1) Remuneration to directors

Remuneration for Non-independent Directors and Independent Directors

December 31, 2024; Unit: \$ thousand /thousand shares

| Title | Name | Remuneration to directors | | | | | | | | The total amount of items A, B, C, and D, and their proportion to net income after tax. | Remuneration received by persons who also serve as employees | | | | | | | | The total amount of items A, B, C, D, E F and G, and their proportion to net income after tax. | | Remuneration received from investee companies other than subsidiaries or from the parent company | |
|--------------------------|-------------------------------|---------------------------|--|-------------|--|----------------------------|--|--------------------------|--|---|--|--|-------------|--------------|--|--------------|-------------|--|--|-------------|--|------|
| | | Remuneration (A) | | Pension (B) | | Director's remuneration(C) | | Operational expenses (D) | | | Salaries, bonuses, and special allowances, etc. (E) | | Pension (F) | | Employee remuneration (G) | | The Company | All companies included in the financial report | | | | |
| | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | | The Company | All companies included in the financial report | The Company | | All companies included in the financial report | | | | | | | |
| | | | | | | | | | | | | | Cash Amount | Share Amount | Cash Amount | Share Amount | | | | | | |
| Chairperson of the Board | LI CHIUN LIANG | 4,194 | 4,194 | None | None | 2,178 | 2,178 | 540 | 540 | 6,912 2.79% | 6,912 2.79% | None | None | None | None | None | None | None | None | 6,912 2.79% | 6,912 2.79% | 53 |
| Director President | GOTO KENJI | None | None | None | None | 871 | 871 | 324 | 324 | 1,195 0.48% | 1,195 0.48% | 3,569 | 3,569 | None | None | 96 | None | 96 | None | 4,860 1.96% | 4,860 1.96% | None |
| Director | LI CHIUN MI | None | None | None | None | 871 | 871 | 324 | 324 | 1,195 0.48% | 1,195 0.48% | None | None | None | None | None | None | None | None | 1,195 0.48% | 1,195 0.48% | None |
| Director | LI DERING | None | None | None | None | 871 | 871 | 324 | 324 | 1,195 0.48% | 1,195 0.48% | None | None | None | None | None | None | None | None | 1,195 0.48% | 1,195 0.48% | None |
| Corporate director | Jacksiya Investment Co., Ltd. | None | None | None | None | 871 | 871 | 324 | 324 | 1,195 0.48% | 1,195 0.48% | None | None | None | None | None | None | None | None | 1,195 0.48% | 1,195 0.48% | None |

| Title | Name | Remuneration to directors | | | | | | | | The total amount of items A, B, C, and D, and their proportion to net income after tax. | Remuneration received by persons who also serve as employees | | | | | | | | The total amount of items A, B, C, D, E, F and G, and their proportion to net income after tax. | Remuneration received from investee companies other than subsidiaries or from the parent company | | | |
|-----------------------------------|---------------------------------------|---------------------------|--|-------------|--|----------------------------|--|--------------------------|--|---|--|-------------|--|---------------------------|--------------|-------------|--|-------------|---|--|--------------|------|------|
| | | Remuneration (A) | | Pension (B) | | Director's remuneration(C) | | Operational expenses (D) | | | Salaries, bonuses, and special allowances, etc. (E) | Pension (F) | | Employee remuneration (G) | | The Company | All companies included in the financial report | | | | | | |
| | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | | | The Company | All companies included in the financial report | Cash Amount | Share Amount | | | Cash Amount | | | Share Amount | | |
| Corporate director Representative | Representative: TSAI SHIH YUNG | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None |
| Corporate director | DESCENTE Ltd. (Japan) | None | None | None | None | 871 | 871 | 324 | 324 | 1,195 0.48% | 1,195 0.48% | None | None | None | None | None | None | None | None | 1,195 0.48% | 1,195 0.48% | None | |
| Corporate director Representative | Representative: SHINJI UYAMA (note) | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | |
| Corporate director Representative | Representative: MIYAYAMA NAOTO (note) | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | None | |
| Independent director | HUANG BO CHEN | None | None | None | None | None | None | 339 | 339 | 339 0.14% | 339 0.14% | None | None | None | None | None | None | None | None | 339 0.14% | 339 0.14% | None | |
| Independent director | JAN HUNG TU | None | None | None | None | None | None | 339 | 339 | 339 0.14% | 339 0.14% | None | None | None | None | None | None | None | None | 339 0.14% | 339 0.14% | None | |
| Independent director | HOSONUMA ISAO | None | None | None | None | None | None | 339 | 339 | 339 0.14% | 339 0.14% | None | None | None | None | None | None | None | None | 339 0.14% | 339 0.14% | None | |

| Title | Name | | | | | | | | Remuneration to directors | | | | The total amount of items A, B, C, and D, and their proportion to net income after tax. | | | | Remuneration received by persons who also serve as employees | | | | The total amount of items A, B, C, D, E F and G, and their proportion to net income after tax. | | | | | | | |
|--|------|--|--|--|--|--|--|--|---------------------------|--|-------------|--|---|--|--|--|--|--|--------------------------|--|--|--|---|--|-------------|--|---------------------------|--------------|
| | | | | | | | | | Remuneration (A) | | Pension (B) | | | | | | Director's remuneration(C) | | Operational expenses (D) | | | | Salaries, bonuses, and special allowances, etc. (E) | | Pension (F) | | Employee remuneration (G) | |
| | | | | | | | | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | | | | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | Cash Amount | Share Amount |
| <div>1. Please describe the policy, system, standard, an structure of remuneration for independent directors, and describe the relationship between the amount of remuneration paid and the responsibilities, risks, and time commitment of independent directors:<div>(1) According to the Company’s Articles of Incorporation, the remuneration of the Chairperson and Directors shall be determined by the Board of Directors, taking into account the level of their involvement in the Company's operations, the value of their contributions, and with reference to domestic and international industry standards.</div><div>(2) The Articles of Incorporation also specify that the remuneration for directors shall not exceed 2% of the annual profit. In accordance with the regulations of the Company's Remuneration Committee's Organizational Charter, the payment of directors' remuneration shall be handled in accordance with the "Remuneration Guidelines for Directors and Managers."</div></div> <div>2. In addition to the disclosures in the above table, the remuneration received by the Company's directors for services provided to all companies within the financial report (such as serving as non-employee consultants, etc.) in the most recent fiscal year amounted to \$390,000.</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(2) Remuneration for Supervisors: The Company established an Audit Committee on June 6, 2022, to replace the role of Supervisors; therefore, this is not applicable.

(3) Remuneration for president and vice presidents

Remuneration for the president and vice presidents

December 31, 2024; Unit: \$ thousand /thousand shares

| Title | Name | Salary (A) | | Pension (B) | | Bonuses, and special allowances, etc. (C) | | Employee remuneration (D) | | | | The total amount of items A, B, C, and D, and their proportion to net income after tax (%) | | Remuneration received from investee companies other than subsidiaries or from the parent company |
|---|--------------------------|-------------|--|--------------|--|---|--|---------------------------|--------------|--|--------------|--|--|--|
| | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | | All companies included in the financial report | | The Company | All companies included in the financial report | |
| | | | | | | | | Cash Amount | Share Amount | Cash Amount | Share Amount | | | |
| President | GOTO KENJI | 3,569 | 3,569 | None | None | None | None | 96 | None | 96 | None | 3,665 1.48% | 3,665 1.48% | None |
| Executive Vice President, Women's Apparel Business Division | TSAI SHIH CHIEH (note 1) | 1,326 | 1,326 | 54 (note 2) | 54 (note 2) | None | None | None | None | None | None | 1,380 0.56% | 1,380 0.56% | None |
| Vice President, Business Division | LIN YUAN YU | 2,316 | 2,316 | 108 (note 2) | 108 (note 2) | None | None | 90 | None | 90 | None | 2,514 1.01% | 2,514 1.01% | None |
| Vice President, Administration Division | KUO CHIEN LUNG | 2,684 | 2,684 | 108 (note 2) | 108 (note 2) | None | None | 90 | None | 90 | None | 2,882 1.16% | 2,882 1.16% | None |

Note 1: Executive Vice President Mr. TSAI SHIH CHIEH retired on June 30, 2024.

Note 2: Refers to the amount allocated as expensed provision for pension.

(4) Remuneration for the top five highest paid executives

Remuneration for the top five highest paid executives

December 31, 2024; Unit: \$ thousand /thousand shares

| Title | Name | Salary (A) | | Pension (B) | | Bonuses, and special allowances, etc. (C) | | Employee remuneration (D) | | | | The total amount of items A, B, C, and D, and their proportion to net income after tax (%) | | Remuneration received from investee companies other than subsidiaries or from the parent company |
|--|----------------|-------------|--|---------------|--|---|--|---------------------------|--------------|--|--------------|--|--|--|
| | | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | All companies included in the financial report | The Company | | All companies included in the financial report | | The Company | All companies included in the financial report | |
| | | | | | | | | Cash Amount | Share Amount | Cash Amount | Share Amount | | | |
| President | GOTO KENJI | 3,569 | 3,569 | None | None | None | None | 96 | None | 96 | None | 3,665 1.48% | 3,665 1.48% | None |
| Vice President, Administration Division | KUO CHIEN LUNG | 2,684 | 2,684 | 108 (note) | 108 (note) | None | None | 90 | None | 90 | None | 2,882 1.16% | 2,882 1.16% | None |
| Vice President, Business Division | LIN YUAN YU | 2,316 | 2,316 | 108 (note) | 108 (note) | None | None | 90 | None | 90 | None | 2,514 1.01% | 2,514 1.01% | None |
| Finance Division Assistant Vice President | LI HSIANG FANG | 1,970 | 1,970 | 103 (note) | 103 (note) | None | None | 83 | None | 83 | None | 2,156 0.87% | 2,156 0.87% | None |
| Assistant Vice President of Clearance Merchandise Distribution, Men's Apparel Sales Department 1 | HO CHI YUAN | 1,769 | 1,769 | 108 (note) | 108 (note) | None | None | 83 | None | 83 | None | 1,960 0.79% | 1,960 0.79% | None |

Note: Refers to the amount allocated as expensed provision for pension.

(5) Names of managers receiving employee remuneration and details of distribution

Names of managers receiving employee remuneration and details of distribution

December 31, 2024; Unit: \$ thousand /thousand shares

| | Title | Name | Share Amount | Cash Amount | Total | Proportion of total amount to net income after tax (%) |
|---------|--|-----------------|--------------|-------------|-------|--|
| Manager | President | GOTO KENJI | None | 934 | 934 | 0.38% |
| | Vice President, Business Division | LIN YUAN YU | | | | |
| | Administrative Vice President, Administration Division | KUO CHIEN LUNG | | | | |
| | Assistant Vice President, Men's Apparel Sales Department 1 | LI JIAN RUEY | | | | |
| | Assistant Vice President of Clearance Merchandise Distribution, Men's Apparel Sales Department 1 | HO CHI YUAN | | | | |
| | Assistant Vice President, Men's Apparel Sales Department 2 | CHOU CHAO YU | | | | |
| | Assistant Vice President, Women's Apparel Sales Department 1 | CHOU SUNG YU | | | | |
| | Assistant Vice President, Women's Apparel Sales Department 2 | LIN CHIU CHING | | | | |
| | Assistant Vice President, Women's Apparel Sales Department 3 | CHU HUNG CHI | | | | |
| | Assistant Vice President, Finance Division | LI HSIANG FANG | | | | |
| | Assistant Vice President, Finance Division | HUNG SHIH HUI | | | | |
| | Corporate Governance Manager | CHEN CHIEN MING | | | | |

(6) Comparative analysis of the total remuneration paid to the Company's directors, supervisors, president, and vice presidents by the Company and all entities in the

consolidated financial statements in the most recent two fiscal years, expressed as a percentage of the net income after tax in the parent company only or person financial reports, and explanation of the remuneration policy, criteria and structure, the procedures for determining remuneration, and the correlation with business performance and future risks:

A. Analysis of the total remuneration paid to the Company's directors, supervisors, president, and vice presidents by the Company and all companies in the consolidated financial statements in the most recent two fiscal years as a percentage of the net income after tax in the person financial reports.

| Title | Proportion of total remuneration amount to net income after tax (%) | | | |
|-------------------------------|---|---|-------------|---|
| | 2023 | | 2024 | |
| | The Company | All companies in the consolidated statement | The Company | All companies in the consolidated statement |
| Director | 5.58 | 5.58 | 5.60 | 5.60 |
| Supervisor (note) | None | None | None | None |
| President and Vice Presidents | 4.85 | 4.85 | 4.21 | 4.21 |

Note: The Company established an Audit Committee on June 6, 2022. Therefore, no remuneration was paid to supervisors in 2023 and 2024.

There was no significant difference in the percentage of total remuneration paid to directors in 2024 compared to the same period in the previous year. The percentage of total remuneration paid to the President and Vice Presidents in 2024 decreased compared to 2023, primarily due to the retirement of Vice President TSAI SHIH CHIEH on June 30, 2024.

2. Remuneration policy, criteria and composition, procedures for determining remuneration, and its correlation with business performance and future risks

The remuneration for the Company's directors includes salary, allocated bonus, and business execution allowance. According to the company's articles of incorporation and the "Remuneration Guidelines for Directors and Managers," the remuneration for the Chairperson and Directors is determined based on their level of involvement in the

Company's operations, the value of their contributions, and in reference to industry standards both domestically and internationally. The remuneration is reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval. The Company's articles of incorporation also specify that, if the Company is profitable, no more than 2% of the annual profits shall be allocated as remuneration for the directors. The Remuneration Committee shall consider the overall performance of the Board, the Company's operational performance, person director performance evaluations, the degree of involvement in the Company's operations, the value of their contributions, and industry standards to propose a distribution plan, which will then be submitted to the Board of Directors for approval.

The remuneration for the Company's President and Vice Presidents mainly includes salary, bonuses, and employee compensation. The salary is primarily determined based on the position held, educational background, professional abilities, and industry standards. Bonuses are based on factors, such as the managerial capabilities in operations, financial performance, and business management performance indicators, and are considered as part of the performance evaluation and bonus distribution process. The remuneration for the company's managers is reviewed by the Remuneration Committee and implemented after approval by the Board of Directors.

In summary, the policy for paying the remuneration of the Board of Directors, President, and Vice Presidents, as well as the procedures for determining remuneration, not only consider the overall operational performance of the Company but also take into account person performance achievements and contributions to the Company's performance, with a positive correlation to the Company's business results. Additionally, the remuneration system will be reviewed periodically based on the Company's operational conditions and relevant regulations to ensure the achievement of the Company's sustainable operations and risk management objectives.

3. Corporate governance operations

(1) Board of directors operations information

In the most recent year (2024), the Board of Directors held 6 meetings, with the attendance of directors and supervisors as follows:

| Title | Name | Actual attendance count | Proxy attendance count | Actual attendance (present) rate (%) | Remarks |
|--------------------------|---|-------------------------|------------------------|--------------------------------------|---|
| Chairperson of the Board | LI CHIUN LIANG | 6 | 0 | 100% | Retained position after the election on June 6, 2022 |
| Director | GOTO KENJI | 5 | 1 | 83% | Newly appointed after the election on June 6, 2022 |
| Director | LI CHIUN MI | 0 | 5 | 0% | Retained position after the election on June 6, 2022 |
| Director | LI DERING | 5 | 1 | 83% | Newly appointed after the election on June 6, 2022 |
| Corporate director | Representative of JACKSIYA INVESTMENT CO., LTD.: TSAI SHIH YUNG | 5 | 1 | 83% | Retained position after the election on June 6, 2022 |
| Corporate director | Representative of DESCENTE LTD. (Japan): SHINJI UEYAMA | 2 | 0 | 50% | Retained position after the election on June 6, 2022 |
| | Representative of DESCENTE LTD. (Japan): NAOTO MIYAMA | 2 | 0 | 100% | On June 1, 2024, DESCENTE, LTD. (Japan) the Company appointed NAOTO MIYAMA as the new representative, and the previous representative, SHINJI UEYAMA, has resigned. |
| Independent director | HUANG BO CHEN | 6 | 0 | 100% | Retained position after the election on June 6, 2022 |
| Independent | JAN HUNG TU | 5 | 1 | 83% | Newly appointed after |

| Title | Name | Actual attendance count | Proxy attendance count | Actual attendance (present) rate (%) | Remarks |
|----------------------|---------------|-------------------------|------------------------|--------------------------------------|--|
| director | | | | | the election on June 6, 2022 |
| Independent director | HOSONUMA ISAO | 6 | 0 | 100% | Newly appointed after the election on June 6, 2022 |

Other matters to be disclosed:

1. If any of the following circumstances occurred in the operation of the Board of Directors, the date of the meeting, term, content of the proposal, all independent directors' opinions, and the Company's response to those opinions shall be disclosed:

(1) Matters listed under Article 14-3 of the Securities and Exchange Act: Since the Company has established an Audit Committee, the provisions of Article 14-3 are not applicable.

(2) In addition to the above, any resolutions of the Board of Directors on which independent directors expressed dissenting or qualified opinions, either recorded or stated in writing: None.

2. Execution status of Directors' Recusal from interested party proposals: The names of the directors, the content of the proposals, the reasons for recusal due to conflicts of interest, and their participation in the voting should be clearly stated.

| Board meeting date | Director | Proposal content | Reason for recusal | Participation in voting |
|--------------------|--|---|---|---|
| 2024.03.08 | LI CHIUN LIANG LI CHIUN MI GOTO KENJI | Review of the Company's 2023 employee and director remuneration distribution proposal | Directors recused themselves from the proposal in accordance with Article 206 of the Company Act and other relevant regulations due to their personal stakes in the matter. | Due to their personal stakes in the matter, the directors also recused themselves from participating in the discussion and voting on the proposals in accordance with Article 206 of the Company Act and other relevant regulations. Following consultation, the other attending directors unanimously approved the proposal without objection. |

| Board meeting date | Director | Proposal content | Reason for recusal | Participation in voting |
|--------------------|--|---|---|---|
| 2024.03.08 | LI CHIUN LIANG LI CHIUN MI GOTO KENJI | Review of the Company's 2023 year-end bonus proposal for the Chairperson and managers. | Directors recused themselves from the proposal in accordance with Article 206 of the Company Act and other relevant regulations due to their personal stakes in the matter. | Due to their personal stakes in the matter, the directors also recused themselves from participating in the discussion and voting on the proposals in accordance with Article 206 of the Company Act and other relevant regulations. Following consultation, the other attending directors unanimously approved the proposal without objection. |
| 2024.05. 09 | LI CHIUN LIANG LI CHIUN MI GOTO KENJI | Review of the Company's 2024 cash capital increase of common shares proposal for the managers and employees' stock subscription allocation. | Directors recused themselves from the proposal in accordance with Article 206 of the Company Act and other relevant regulations due to their personal stakes in the matter. | Due to their personal stakes in the matter, the directors also recused themselves from participating in the discussion and voting on the proposals in accordance with Article 206 of the Company Act and other relevant regulations. Following consultation, the other attending directors unanimously approved the proposal without objection. |

3. TWSE/TPEX listed companies shall disclose information such as the evaluation cycle and period, scope, method, and content of the board of directors' self-evaluation (or peer evaluation), and shall complete Table 2(2), "Execution Status of Board of Directors' Evaluation":

The Company evaluates performance in accordance with its established "Regulations for Performance Evaluation of the Board of Directors" and reports the results to the board of directors. In late 2024, the Company undertook its self-evaluation (or peer evaluation) of the 2024 Board of Directors. As part of this process, the designated evaluation units were responsible for gathering relevant information pertaining to the activities of the Board of Directors (functional committees). Subsequently, the "Director Self-Assessment

Questionnaire" was distributed to each director for their person completion. Following the completion of these questionnaires, the central coordinating unit compiled all the collected data. This unit then assessed the information against the defined scoring criteria outlined in the Regulations, ultimately recording the evaluation outcomes. By January 2025, the performance evaluations for the "Board of Directors" as a whole, "Person Directors," the "Remuneration Committee," and the "Audit Committee" were finalized. The self-evaluation results for all these categories indicated a performance level of "Excellent" or higher, and no significant areas requiring improvement were identified. The comprehensive performance evaluation report was subsequently presented to the Board of Directors for their review and discussion at the board meeting held on March 12, 2025.

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation content |
|------------------|----------------------------|----------------------|--|--|
| Annually | 2024.01. 01– 2024.12.31 | Board of Directors | Internal self-evaluation of the Board of Directors | <ol style="list-style-type: none"> 1. Level of participation in company operations. 2. Enhancing the quality of Board of Directors' decision-making. 3. Composition and structure of the Board of Directors. 4. Nomination and election of directors and their continuous professional development. 5. Internal control. |
| Annually | 2024.01. 01– 2024.12.31 | Person board members | Self-evaluation of person board members | <ol style="list-style-type: none"> 1. Understanding of the company's goals and mission. 2. Awareness of directors' responsibilities. 3. Level of participation in company operations. 4. Management and communication of internal relationships. 5. Professionalism and continuous professional development of directors. 6. Internal control. |

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation content |
|------------------|----------------------------|------------------------|--|--|
| Annually | 2024.01. 01– 2024.12.31 | Remuneration committee | Remuneration committee member self-revaluation | 1. Level of participation in company operations. 2. Understanding of the Remuneration Committee's responsibilities. 3. Enhancement of the decision-making quality of functional committees. 4. Composition and appointment of the Remuneration Committee. 5. Internal control. |
| Annually | 2024.01. 01– 2024.12.31 | Audit Committee | Audit committee member self-revaluation | 1. Level of participation in company operations. 2. Understanding of the Audit Committee's responsibilities. 3. Enhancement of the decision-making quality of functional committees. 4. Composition and appointment of the Audit Committee. 5. Internal control. |

4. Objectives for enhancing the Board's functions in the current and most recent years (e.g., establishment of an audit committee, improvement of information transparency, etc.) and evaluation of implementation status:

- (1) The Company established the Audit Committee on June 6, 2022, to assist the Board of Directors in fulfilling its supervisory responsibilities.
- (2) The Board of Directors approved the purchase of directors' liability insurance at the meeting held on May 9, 2024, and the resolution was implemented accordingly.

- (3) The Company has conducted the internal performance evaluation of the Board of Directors for the year 2024 and reported it to the Board meeting on March 12, 2025.
- (4) The authority of the Remuneration Committee of the Company includes: establishing policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers, and evaluating the remuneration of directors and managers accordingly.

(2) Operation of the Audit Committee or the participation of Supervisors in the operation of the Board of Directors

1. Operation of the Audit Committee

In the most recent year (2024), the Audit Committee held 6 meetings, with the attendance of independent directors as follows:

| Title | Name | Actual attendance count | Actual attendance rate (%) | Remarks |
|---------------------------------|---------------|-------------------------|----------------------------|----------------------------------|
| Independent director (Convener) | HUANG BO CHEN | 6 | 100% | Newly Appointed on June 6, 2022. |
| Independent director | JAN HUNG TU | 5 | 83% | Newly Appointed on June 6, 2022. |
| Independent director | HOSONUMA ISAO | 6 | 100% | Newly Appointed on June 6, 2022. |

Other matters to be disclosed:

1. If the operation of the Audit Committee involves any of the following circumstances, the date, term, content of the proposal, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

| Audit Committee meeting date | Proposal content | Audit Committee resolution | Company's handling of Audit Committee's opinions |
|------------------------------|--|--|--|
| 2024.01.17 | To approve the proposal to entrust the construction of a warehouse on the Company's own real estate located at Land No. 7-59, Changhong Section, Yangmei District, Taoyuan City. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |

| Audit Committee meeting date | Proposal content | Audit Committee resolution | Company's handling of Audit Committee's opinions |
|------------------------------|--|--|--|
| 2024.03.08 | 1. To approve the 2023 financial statements, Bussiness Report and appropriation of earnings. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |
| | 2. Proposal for the issuance of the "assessment report on the effectiveness of the internal control system" and the "statement on internal control system" for 2023. | | |
| | 3. Proposal for the amendment of certain articles of the "Audit Committee Charter." | | |
| | 4. Proposal for authorizing the Chairperson to negotiate and execute agreements for new brand agency and acquisition. | | |
| 2024.04.01 | To approve the proposal to conduct a capital increase for cash by new share issuance in 2024. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |
| 2024.05.09 | To approve the financial statements for the first quarter of 2024. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |
| 2024.08.12 | 1. To review the evaluation of the independence and competence of the attesting CPAs for the year 2024 and their proposed appointment. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |
| | 2. To approve the financial statements for the second quarter of 2024. | | |

| Audit Committee meeting date | Proposal content | Audit Committee resolution | Company's handling of Audit Committee's opinions |
|------------------------------|---|--|--|
| 2024.11.12 | 1. To approve the financial statements for the third quarter of 2024. | The proposal was passed without objection. | None; submitted to the Company's Board of Directors for approval and passed. |
| | 2. To amend the "General Principles of the Policy on Pre-approval of Non-assurance Services." | | |
| | 3. To establish the "Internal control operating procedures for the management of sustainability information." | | |
| | 4. To establish the "Greenhouse Gas Inventory Operating Procedures." | | |
| | 5. To approve the Internal Audit Operational Audit Plan for the year 2025. | | |
| | 6. To review the "Audit Committee Charter." | No suggestions for article amendments. | Not applicable |

(2) Other resolutions not approved by the Audit Committee but approved by a two-thirds majority of all directors, other than the aforementioned matters: None.

2. Execution status of Independent Directors' recusal from interested party proposals:

The names of the Independent Directors, the content of the proposals, the reasons for recusal due to conflicts of interest, and their participation in the voting should be clearly stated. None.

3. Communication status between Independent Directors and the head of internal audit and the CPAs (which shall include significant matters, methods, and results of

communication regarding the Company's financial and business conditions, etc.)

- (1) The Company's head of internal audit regularly communicates the results of audit reports with independent directors. If any significant non-compliance or potential for significant damage to the Company is discovered, Independent Directors can be notified via telephone or email.
- (2) The CPAs communicate with the Audit Committee and the corporate governance unit. The Audit Committee regularly reviews the financial statements prepared by the Board of Directors. If there are any questions regarding the Company's financial condition, the Audit Committee will also communicate with the Company's CPAs at any time.

2. Participation of Supervisors in the operation of the Board of Directors: The Company established an Audit Committee on June 6, 2022, to replace the Supervisors; therefore, this is not applicable.

(3) Corporate governance implementation status and deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| 1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?” | V | | The Company has established the “Corporate Governance Best Practice Principles,” which set forth specific guidelines regarding the protection of shareholders’ rights and interests, enhancement of the functions of the Board of Directors, respect for the rights and interests of stakeholders, and improvement of information transparency. For more details regarding the Company’s Corporate Governance Best Practice Principles, please visit our official website at http://www.munsin.com.tw . | No material differences |
| 2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? | V | | (1) We have designated shareholder services personnel to serve as the contact for handling shareholder suggestions, disputes, and related matters. We also closely cooperate with our stock transfer agent to address issues concerning shareholder rights. | No material differences |
| (2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares? | V | | (2) In accordance with Article 25 of the Securities and Exchange Act, we conduct monthly investigations and filings regarding changes in shareholdings of insiders (including Directors and their related parties). We also maintain communication with major shareholders to identify the ultimate | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| (3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure? | V | | controlling parties. (3) The Company's internal controls encompass enterprise-level risk management and operational-level business activities. We have established “Operating Procedures for the Supervision and Management of Subsidiaries” to effectively implement risk control mechanisms for our subsidiaries.” The Company has established the “Procedures for Lending of Funds to Others,” the “Guidelines for Endorsements and Guarantees,” the “Operating Procedures for the Supervision and Management of Subsidiaries,” the “Management Procedures for Related Party Transactions” and “Operating Procedures for Financial and Business Dealings with Group Enterprises and Specific Companies” as the basis for handling financial and business transactions with related enterprises. These procedures are also periodically revised in accordance with laws and regulations announced by government agencies to ensure they are up-to-date. | No material differences |
| (4) Does the Company establish internal rules against insiders trading with undisclosed information? | V | | (4) We have established internal control mechanisms including the "Insider Trading Prevention Management Procedures" and the "Corporate Governance Best Practice Principles", which are subject to regular audits to prevent unlawful activities. | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| 3. Composition and responsibilities of the Board of Directors | | | | |
| (1) Does the Board develop and implement a diversified policy for the composition of its members? | V | | (1) Our Board of Directors comprises nine members with diverse professional knowledge and skills across industry, accounting and finance, management, and legal fields. Each member possesses the expertise and competence required to perform their duties and contributes insights and advice to support the Company’s goal of sustainable operation. The Board's policy on diversity in its composition is disclosed on the Company’s website and the Market Observation Post System. | No material differences |
| (2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? | V | | (2) On November 29, 2011, our Board approved the establishment of the Remuneration Committee, composed of three independent directors. The committee holds meetings regularly to review relevant proposals. On June 6, 2022, the Audit Committee was established, also composed of three independent directors, and convenes meetings regularly to deliberate on pertinent matters. | No material differences |
| (3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of person directors and nominations for reelection? | V | | (3) To reinforce corporate governance and enhance the functionality of the Board, we adopted the Board Performance Evaluation Measures on August 12, 2020, as approved by the Board of Directors. An annual performance evaluation is conducted at the end of each fiscal year to assess and improve Board efficiency. | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|---|--|
| | Yes | No | Description | |
| (4) Does the Company regularly evaluate the independence of CPAs? | V | | <p>The scope of the Board of Directors' self-evaluation includes: 1. The level of participation in the Company's operations. 2. Enhancing the quality of Board of Directors' decision-making. 3. Composition and structure of the Board of Directors. 4. Nomination and election of directors and their continuous professional development. 5. Internal control.</p> <p>The 2024 Board performance evaluation was conducted at the beginning of 2025 through self-assessment by Board members, and the evaluation results were reported at the 16th meeting of the 16th Board of Directors on March 12, 2025. According to the results of the 2024 Board performance evaluation, the Board of Directors has demonstrated sound operational performance.</p> <p>(4) The Company regularly evaluates (once a year) the independence and competence of the attesting CPAs. The attesting CPAs issue a declaration of independence regarding the entrusted audit work and their independence and competence are evaluated based on the following independence evaluation criteria and 5 major aspects with 13 AQI indicators.</p> <p>1. The CPA and audit personnel do not hold any direct or significant indirect financial interests in the Company or its affiliates.</p> | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|-----------------|-----------------------|----|---|--|
| | Yes | No | Description | |
| | | | <p>2. There is no commercial relationship between the CPAs, audit personnel, and any directors or officers of the Company that could impair independence.</p> <p>3. The CPAs and audit personnel have no financial lending arrangements with the Company or its affiliates.</p> <p>4. The CPA, their spouse, or minor children do not have any investment or shared financial interests in the Company or its affiliates.</p> <p>5. The proportion of non-audit services provided by the CPA firm does not impair independence.</p> <p>6. The CPAs do not concurrently serve in a regular position at the Company or its affiliates, nor receive fixed remuneration from them.</p> <p>7. The CPA firm is not involved in the decision-making management functions of the Company or its affiliates.</p> <p>8. The CPA and audit personnel have not served as directors, managers, or in other significant roles at the Company within the past two years.</p> <p>9. The total number of years the CPA firm has provided audit services to the Company does not impair independence.</p> <p>10. As of the most recent engagement, the Company has not failed to rotate CPAs within the prescribed seven-year period.</p> | |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| | | | <p>11. The CPA and audit personnel have not accepted any valuable gifts or gratuities from the Company or its directors or managers.</p> <p>12. The CPA does not have a marital, blood, or affinity relationship (up to second-degree kinship) with any member of the Company’s senior management.</p> <p>We refer to AQI indicators to verify that the CPAs and the accounting firm possess sufficient audit experience and have completed adequate training hours. In addition, the firm continuously adopts digital audit tools to enhance audit quality. The most recent evaluation results regarding the independence and competence of the CPAs were reviewed and approved by the Audit Committee on August 12, 2024, and subsequently reported to and approved by the Board of Directors on the same day.</p> | |
| 4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing | V | | <p>On May 10, 2023, the Board of Directors approved the appointment of the Company’s Corporate Governance Officer. Corporate governance-related matters are jointly handled by the Corporate Governance Officer, the Administration Division, and the Audit Unit.</p> <p>The status of corporate governance operations for 2024 is summarized as follows:</p> <p>1. Assisting independent directors and directors in performing their duties, providing necessary</p> | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| minutes of board meetings and shareholders' meetings)? | | | <p>information, and arranging continuing education: (1) Upon assuming office, Board members were provided with the latest information on developments and amendments to laws and regulations related to the Company’s business operations and corporate governance. This information is also updated on a regular basis. (2) They review the confidentiality level of relevant information and provide Directors with the necessary materials to ensure smooth communication and interaction between Directors and management. (3) They assist Independent Directors in arranging meetings with the Internal Audit Officer or the attesting CPAs, in accordance with the Corporate Governance Best Practice Principles, when they deem it necessary to understand the Company’s financial and business matters. (4) They assist in formulating the annual training plan and course arrangements for Directors, based on the characteristics of the Company’s industry and the academic and professional backgrounds of the Directors.</p> <p>2. Assisting with the procedural matters and legal compliance of Board of Directors and Shareholders' Meetings: (1) We report the status of corporate governance operations to the Board of Directors and Independent Directors, and confirm that the convening of Shareholders’ and Board Meetings</p> | |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|-----------------|-----------------------|----|--|--|
| | Yes | No | Description | |
| | | | <p>complies with applicable laws and the Corporate Governance Best Practice Principles. (2) We assist and remind Directors to comply with applicable laws and regulations when executing business duties or making formal resolutions in Board meetings. In cases where a proposed resolution by the Board may potentially violate laws or regulations, we proactively provide advice and recommendations. (3) After meetings, they are responsible for reviewing the disclosure of material information regarding key Board resolutions to ensure legal compliance and accuracy, thereby safeguarding the fairness of information available to investors.</p> <p>3. They prepare the agenda for Board meetings and notify Directors at least seven days in advance, convene the meetings, and provide the meeting materials. They issue reminders in advance if any conflict-of-interest situations arise in relation to the meeting topics, and complete the meeting minutes within twenty days after the meeting.</p> <p>4. We register the date of the shareholders’ meeting in advance in accordance with the law, and prepare the meeting notice, meeting handbook, and meeting minutes within the statutory deadlines. We also handle amendment registration matters when there are changes to the Articles of Incorporation or re-election of directors.</p> | |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| 5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities? | V | | The Company’s official website (http://www.munsin.com.tw) includes a “Stakeholders Section” through which investors can submit inquiries. In addition, designated contact points are available for external stakeholders regarding business management and operational matters, with the relevant departments providing responses. | No material differences |
| 6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs? | V | | The Company have entrusted “Grand Fortune Securities Co.,Ltd” to handle the administration of our shareholders’ meetings on its behalf. | No material differences |
| 7. Information disclosure | | | | |
| (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? | V | | (1) Relevant information of the Company has been disclosed on the Market Observation Post System, and the Company has also established its official website (http://www.munsin.com.tw), where financial, business, and corporate governance information is disclosed and constantly updated for the reference of shareholders and the general public. | No material differences |
| (2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? | V | | (2) The Company's investor relations and relevant departments are responsible for the collection and disclosure of information. The Company has designated a spokesperson and a deputy spokesperson, and all material information is disclosed to the public exclusively through the spokesperson. | No material differences |
| (3) Does the Company announce and report annual financial statements within two months | V | | (3) The Company announces and files its annual financial reports, quarterly financial reports, and | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit? | | | <p>monthly operating results in accordance with relevant regulations:</p> <ol style="list-style-type: none"> 1. The Company announces and files its annual financial report within three months after the end of each fiscal year. 2. The Company announces and files its quarterly financial reports within 45 days after the end of the first, second, and third quarters. 3. The Company announces and files its operating results for the previous month by the 10th of each month. | |
| 8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)? | V | | <ol style="list-style-type: none"> (1) Employee rights: The Company has established relevant systems in accordance with laws and regulations to protect employees' rights and interests. (2) Employee care: The Company has set up a Labor Welfare Committee, which provides various subsidies and care for employees, such as subsidies for external course learning, disability and illness benefits, employee travel subsidies, etc. (3) Investor relations: The Company has a spokesperson and works closely with the shareholder services agency to handle various investor services, ensuring that all external communications are unified through the spokesperson. (4) Supplier Relations: The Company maintains good relationships with all suppliers, and all operations | No material differences |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|-----------------|-----------------------|----|---|--|
| | Yes | No | Description | |
| | | | <p>are functioning normally.</p> <p>(5) Rights of stakeholders: The Company publishes information that should be disclosed to the public on the Market Observation Post System, allowing stakeholders to understand the Company's status and protect their rights. The Company has established spokespersons and deputy spokespersons, through whom stakeholders can communicate and provide suggestions at any time, ensuring the protection of their legal rights.</p> <p>(6) Continuing Education of Directors and Managers: The continuing education hours for the company's directors and managers comply with the regulations.</p> <p>(7) Attendance of Directors at Board meetings: The attendance of the Company's directors at board meetings complies with legal requirements, and the related key resolutions are listed in the annual report.</p> <p>(8) Implementation of risk management policies and risk measurement standards: The Company's audit unit regularly checks the internal control system and related issues, with the results reported to the general manager and independent directors, in order to reduce the risk of losses. In order to protect shareholder interests, the Company has established various policies and procedures, including the Procedures for Lending of Funds to Others,”the</p> | |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|-----------------|-----------------------|----|---|--|
| | Yes | No | Description | |
| | | | <p>“Guidelines for Endorsements and Guarantees,” “Procedures for Acquiring or Disposing of Assets,” the “Operating Procedures for the Supervision and Management of Subsidiaries,” “Management Procedures for Related Party Transactions” and “Operating Procedures for Financial and Business Dealings with Group Enterprises and Specific Companies,” all of which serve as controls for risk management.</p> <p>(9) The Company's purchase of directors' liability insurance: The Company's "Rules for Authorization and Agency of Duties" stipulate that significant decision-making authority in operations requires resolution by the Board of Directors before implementation. In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company has purchased directors' liability insurance.</p> <p>(10) Implementation of customer policy: The Company's primary business is department store counter sales. We regularly conduct annual training courses to educate counter staff on professional knowledge, establishing a service philosophy that prioritizes customers. Having operated in the market for over forty years, the Company always prioritizes "protecting customer rights" in its service to both new and existing customers.</p> | |

| Evaluation item | Implementation status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| | | | (11) None of the Company's directors have transactions with the Company that involve conflicts of interest. If a matter on the proposal at the meeting of Board of Directors involves a conflict of interest for a director, that director is required to abstain from participating. As an TPEX listed company, the Company's operations are based on integrity. We prioritize shareholder equity in the open trading market and strive to prevent any loss on shareholders' investments. This is of great importance to the Company. As a member of society, fulfilling social responsibility is also the Company's mission. | |
| <p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (Not applicable to companies not included in the evaluation)</p> <p>The Company has implemented the following improvements based on the corporate governance evaluation results and proposes the following priority areas for strengthening and corresponding measures:</p> <ul style="list-style-type: none"> (1) Electronic voting has been adopted for matters related to the Company's shareholders' meetings since 2018. (2) The Company strongly urges its directors to complete the required continuing education hours in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." (3) The Company's website provides the latest relevant information on shareholders' meetings, including meeting notices, annual reports, meeting handbooks, and minutes. (4) The Company introduced the live broadcasting service for stockholders' meetings in 2023. | | | | |

(4) Composition, responsibilities, and operation of the remuneration committee:

The company's Remuneration Committee consists of 3 independent directors. It operates in accordance with the scope of responsibilities outlined in Article 7 of the company's "Remuneration Committee Charter," which includes: 1. Periodically reviewing the Charter and proposing amendments. 2. Establishing and periodically reviewing the Company's policies, systems, standards, and structure for the annual and long-term performance targets and remuneration of directors and managers. 3. Periodically evaluating the achievement of performance targets of the Company's directors and managers and determining the content and amount of their person remuneration.

A. Information of remuneration committee members

| <div>Condition</div> <div>Identity</div> <div>Name</div> | | Professional qualifications and experience | Independence status | Number of other public companies where serving as a remuneration committee member |
|--|---------------|--|---------------------|---|
| Independent director (Convener) | HUANG BO CHEN | 1. Person in Charge, Bao De Certified Public Accountant Firm 2. Graduate Institute of Accounting, National Chengchi University 3. The person holds a certificate obtained through national examinations for professionals and technicians such as judges, prosecutors, lawyers, certified public accountants, or other professionals and technicians required for the Company's business. 4. The person possesses work experience in business, legal affairs, finance, accounting, or other areas required for the Company's business. 5. Not subject to any of the circumstances listed under Article 30 of the Company Act.. | In compliance | None |

| <div> <div>Identity</div> <div>Condition</div> <div>Name</div> </div> | | Professional qualifications and experience | Independence status | Number of other public companies where serving as a remuneration committee member |
|---|---------------|--|---------------------|---|
| Independent director | JAN HUNG TU | 1. Board Chairperson, Shin Shin Public Markets Co., Ltd. 2. President, Taichung Downtown Lions Club 3. EMBA, Department of Business Administration, Ling Tung University 4. The person possesses work experience in business, legal affairs, finance, accounting, or other areas required for the Company's business. 5. Not subject to any of the circumstances listed under Article 30 of the Company Act. | In compliance | None |
| Independent director | HOSONUMA ISAO | 1. Vice President, Business Division, Shin Kong Mitsukoshi Department Store Co., Ltd. 2. Faculty of Political Science and Economics, Seikei University (Private), Japan 3. The person possesses over five years of work experience and practical experience required for the Company's business. 4. The person possesses work experience in business, legal affairs, finance, accounting, or other areas required for the Company's business. 5. Not subject to any of the circumstances listed under Article 30 of the Company Act. | In compliance | None |

Note: All independent directors meet the independence requirements:

1. The independent directors comply with the provisions of Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."
2. Neither the independent director, their spouse, nor any relative within the second degree of kinship (or through the use of another person's name) is a natural person shareholder holding 1% or more of the Company's total issued shares or among the top ten shareholders.
3. The independent directors do not have a spousal relationship or a relationship within the second degree of kinship with any other director.

B. Information on the operation of the remuneration committee:

(A) The company's Remuneration Committee has a total of 3 members.

(B) The term of the current members is from June 16, 2022, to June 5, 2025. The Remuneration Committee held 3 meetings in the most recent year (2024). The qualifications and attendance of the members are as follows:

| Title | Name | Actual attendance count | Proxy attendance count | Actual attendance rate (%) | Remarks |
|----------------------------------|---------------|-------------------------|------------------------|----------------------------|---|
| Convener Independent director | HUANG BO CHEN | 3 | 0 | 100% | Retained position after the election on June 16, 2022 |
| Member (Independent director) | JAN HUNG TU | 3 | 0 | 100% | Newly appointed after the election on June 16, 2022 |
| Member (Independent director) | HOSONUMA ISAO | 3 | 0 | 100% | Retained position after the election on June 16, 2022 |

The function of the Committee is to evaluate the Company's policies and systems for the remuneration of directors and managers from a professional and objective standpoint and to provide recommendations to the Board of Directors for their decision-making reference.

(C) Proposals of the Remuneration Committee in 2024:

| Date | Major deliberation and review |
|-------------|---|
| 2024.03.08 | 1. Reviewed the Company's 2023 year-end bonus proposal for the Chairperson and managers. 2. Reviewed the Company's 2023 distribution proposal for manager and director remuneration. |
| 2024.05. 09 | 1. Review of the Company's 2024 cash capital increase of common |

| Date | Major deliberation and review |
|------------|---|
| | <p>shares proposal for the managers and employees' stock subscription allocation.</p> <p>2. Reviewed the salary and remuneration package of the new manager of the Company.</p> |
| 2024.11.12 | <p>1. Reviewed the "Audit Committee Charter."</p> <p>2. Reviewed the policies, systems, standards, and structure for the performance evaluation and remuneration of the Company's directors and managers.</p> |

Note 1: If any member of the Remuneration Committee has dissenting or qualified opinions regarding the matters discussed, and such opinions are recorded or stated in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members, and the handling of those opinions should be stated: none.

Note 2: If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and session of the Board of Directors meeting, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions should be stated: none.

(5) Implementation status of promoting sustainable development and deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|------------------|----|--|---|
| | Yes | No | Description | |
| 1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors? | | V | <p>Starting from 2024, the Company has arranged for internal personnel to receive guidance and assistance from external ESG sustainability assurance units to establish a sustainable development governance framework.</p> <p>The Company's Administration Division is responsible for proposing and implementing sustainable development policies and systems, with designated senior executives from the Administration Division and business units cooperating and overseeing the relevant work plans and their effectiveness. Related information is regularly compiled, and the Chairperson reports on the relevant situation to the directors during Board of Directors meetings.</p> | The Company will establish a dedicated (full-time or part-time) unit to promote sustainable development. Furthermore, the Company is currently collecting and researching information related to sustainable development issues and will proceed in accordance with the regulations of the competent authorities, regularly reporting to senior management and the Board of Directors." |
| 2. Does the Company follow materiality principle to conduct risk assessment for | V | | 1. The Company has established a 'Corporate Social Responsibility Policy' and its main risk management policies | No material differences |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|---|---|
| | Yes | No | Description | |
| environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy? | | | and strategies, such as the risk assessment of operational, cybersecurity, environmental, social, labor, and corporate governance issues, are designed and implemented within various operational procedures and the internal control system. 2. The Company reviews its various risk policies at any time in response to changes in the external environment. | |
| 3. Environmental topic (1) Has the Company set an environmental management system designed to industry characteristics? | V | | (1) As the Company operates in the import retail industry and is not a manufacturing company, ISO14001 is not applicable. Regarding waste recycling and disposal, we follow environmental management systems and environmental regulations, and we continuously review the effectiveness of our implementation to ensure ongoing improvement. | No material differences |
| (2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact? | V | | (2) The Company's products are primarily import-based, resulting in minimal issues with pollutant and waste emissions. Furthermore, the Company continuously strives to improve the efficiency of resource utilization, reduce the use of single-use products, and encourages employees to bring their own cups and reusable tableware. Used toner cartridges from photocopiers and printers are returned to the original manufacturer for recycling. | No material differences |
| (3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related | V | | (3) The company pays attention to the impact of climate change and supports the government's policy of using electronic invoices, striving to replace the heavy use of | No material differences |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|--|--|
| | Yes | No | Description | |
| <p>topics?</p> <p>(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in recent two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?</p> | | V | <p>paper with electronic documents. Additionally, the office implements a policy of setting air conditioning temperatures at 26 degrees Celsius during the summer and uses energy-efficient LED T5 lighting fixtures to reduce energy consumption.</p> <p>(4) The Company's policies related to environmental issues are currently under planning and evaluation. We promote operational management, system establishment, and green energy products. By advocating for energy-saving practices such as turning off lights and air conditioning when not in use, we aim to improve the efficiency of resource utilization, including the effective use of paper, water, electricity, and batteries. We also emphasize resource recycling to minimize our environmental impact.</p> | <p>Starting in 2024, the Company has arranged for internal personnel to receive guidance and assistance from external ESG sustainability assurance units, with the aim of formulating policies for greenhouse gas reduction, water usage reduction, or other waste management practices.</p> |
| <p>4. Social topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p> | V | | <p>(1) The Company complies with labor regulations and adheres to fundamental international labor human rights principles, safeguarding the legitimate rights and interests of employees and appropriating retirement funds. A labor welfare committee has been established to handle various</p> | <p>No material differences</p> |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|---|---|
| | Yes | No | Description | |
| (2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation? | V | | <p>welfare matters for employees. Relevant policies and management systems regarding environmental safety and hygiene are in place.</p> <p>(2) The Company's employee remuneration and benefits measures are explained below:</p> <ol style="list-style-type: none"> 1. Employee remuneration: The Company's year-end bonus system is based on the profitability of the current year and takes into account employees' seniority and annual performance evaluations. It is distributed to all employees to incentivize everyone to work together towards the Company's goals. In accordance with the company's Articles of Incorporation, Employee remuneration is calculated, based on the Company's profit for the current year being no less than 2% to 4%. 2. Employee welfare measures: <ol style="list-style-type: none"> (A) The Company has established an Employee Welfare Committee, and the annual welfare fund allocated by the Company for employees exceeds NT\$1 million. This includes items, such as employee travel subsidies, birthday bonuses, marriage allowances, maternity allowances, and funeral allowances. (B) Regarding the leave system, the Company follows the Labor Standards Act and, based on a calendar year system with a fixed two-day weekend, provides employees who have been employed for a full year with seven days of special leave annually | No material differences |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|----------------|------------------|----|---|---|
| | Yes | No | Description | |
| | | | <p>(those employed for less than a year receive leave on a pro-rata basis). For employees who need a longer period of leave due to situations such as parental leave, serious illness, or major personal events, they can also apply for unpaid leave to balance personal and family care needs.</p> <p>3. Workplace diversity and equality: We strive to achieve equal pay for equal work and equal promotion opportunities for both men and women, and maintain over 49% female representation in managerial positions to promote sustainable and inclusive economic growth. In 2024, the average proportion of female employees was 89%, and the average proportion of female managers was 49%.</p> <p>The Company values employee rights and benefits and shares profits with employees, maintaining a positive work environment to provide comprehensive physical and mental well-being:</p> <p>(A) We aim to employ persons with disabilities at a target rate of 100% and tailor suitable job roles and environmental facilities for them.</p> <p>(B) We implement female empowerment initiatives for a friendly workplace, allowing employees of all genders to work with peace of mind.</p> <p>4. Operating performance reflected in employee remuneration: The Company participates in market salary surveys annually and adjusts salaries based on</p> | |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|--|---|
| | Yes | No | Description | |
| (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? | V | | <p>market salary levels, economic trends, and person performance to maintain overall remuneration competitiveness.</p> <p>(3) The Company's occupational safety and health policy and labor operating environment are described below:</p> <p>1. Occupational safety and health policy: The Company follows the Occupational Safety and Health Act and the regulations of customers and related organizations to establish its policy. It also respects the occupational safety and health requirements of relevant stakeholders to build a healthy and happy workplace.</p> <p>With hazard prevention and control as its core principles, the Company uses appropriate management tools, mature technologies, and available resources to integrate internal occupational safety and health issues and propose effective countermeasures. We continuously strive to improve the occupational safety culture, strengthen personnel protection management, and invest resources in enhancing occupational disease prevention to create a zero-accident environment.</p> <p>2. Labor operating environment: The Company regularly reviews and improves countermeasures in response to workplace safety, revises various inspection items, reiterates the Company's life-saving safety regulations, and initiates supervisor care to pay attention to the physical and</p> | No material differences |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|----------------|------------------|----|--|---|
| | Yes | No | Description | |
| | | | <p>mental well-being of employees, ensuring their safety during work hours.</p> <p>The Company's hardware equipment, such as elevators, fire safety, and air conditioning facilities, are regularly inspected by contracted enterprises. Furthermore, Measures and Management Regulations for the Prevention of Sexual Harassment are established in accordance with regulations to effectively protect the personal safety of employees. Additionally, fire safety and first aid training courses are regularly arranged each year to educate employees on correct safety protection and physical and mental health concepts.</p> <p>3. As of December 31, 2024, the Company had 691 employees. In 2024, there were a total of 5 occupational accidents, with an occupational accident rate of seven per thousand. Three of these were due to traffic accidents during commuting, and the other two were finger lacerations and pinching injuries caused by improper operation. The Company has strengthened its efforts to remind employees to pay close attention to road conditions during commuting to avoid accidents caused by any factor. During personnel meetings, it is emphasized that operating auxiliary equipment must be done in accordance with operating procedures to prevent accidents.</p> <p>4. The Company had no casualties due to fire in 2024.</p> | |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|------------------|----|--|---|
| | Yes | No | Description | |
| (4) Has the Company established effective career development training plans? | V | | <p>The Company conducts fire prevention management personnel training, annual self-defense fire drills and submissions, annual company-wide fire safety inspections and declarations, and two actual fire drills each year in accordance with regulations. Fire equipment is regularly inspected, and fire extinguishing equipment is replaced every three years. Relevant warning signs are also placed in the workplace.</p> <p>(4) The Company plans comprehensive competency training for supervisors and employees at all levels, including new employee training, professional advanced training, and management training. This assists employees in continuous learning and growth through diverse learning methods. Furthermore, the concept of business ethics is integrated into relevant training courses to cultivate key competencies among employees. In 2024, a total of 84 persons participated in career training, with a total of 267 training hours.</p> <p>During the regular annual performance reviews, supervisors and employees jointly discuss and set person annual competency development plans. Through regular review and feedback, employees are assisted in tailoring the best development plan for themselves.</p> | No material differences |
| (5) Does the Company’s product and service comply with related regulations and international rules for customers’ health and safety, privacy, sales, labelling and set policies to protect consumers or | V | | <p>(5) The Company has established clear internal controls and relevant operational procedures in its research and development, procurement, production, operations, and service processes to protect consumer rights. Regarding</p> | No material differences |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|--|---|
| | Yes | No | Description | |
| <p>customers’ rights and consumer appeal procedures?</p> <p>(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?</p> | V | | <p>customer privacy, relevant confidentiality measures are implemented in accordance with the "Personal Data Protection Act." Product labeling fully complies with the regulations of the Bureau of Standards, Metrology and Inspection, MOEA, including standards for textile fabrics such as the "National Safety Standards for Textiles" and washing guidelines such as the "Washing Labeling Regulations of the Textile Labeling Standards." Complaint channels are provided, including a toll-free 0800 telephone number, direct mail to the company, or email to munsin@ms7.hinet.net.</p> <p>(6) The Company regularly conducts supplier management operations, which include ensuring that suppliers' manufacturing environments comply with local requirements regarding labor rights, health, safety, and environmental protection. The Company has signed cooperation agreements with major suppliers that include clauses stating that in the event of serious violations of corporate social responsibility, the Company will terminate or cancel the supplier's cooperation agreement in accordance with the contractual terms. Furthermore, the contracts with suppliers include a commitment to jointly strive to enhance corporate social responsibility.</p> | No material differences |
| <p>5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party</p> | | V | <p>(1) The Company plans to prepare and publish its 2024 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards in 2025.</p> <p>(2) Currently, no assurance or guarantee opinions have been</p> | No material differences; future arrangements will be made as needed or as |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|--|---|
| | Yes | No | Description | |
| verification or statement of assurance? | | | obtained from a third-party verification unit. | required by regulations. |
| <p>6. If the company has established its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please explain the differences between its operation and the established principles: The Company's "Corporate Social Responsibility Best Practice Principles" were adopted by the Board of Directors on May 19, 2011, and disclosed on the Company's website and the Market Observation Post System. These principles were subsequently renamed "Sustainable Development Best Practice Principles." The Company plans to prepare and publish a "Sustainability Report" in accordance with regulations starting in 2025.</p> | | | | |
| <p>7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development:</p> <p>(1) In addition to striving for business growth and enhancing shareholder value, the Company is also committed to protecting consumer rights and actively engaging in social welfare initiatives as part of our corporate social responsibility. For example:</p> <p>◎In 2006, the Company participated in social service activities organized by the Huashan Social Welfare Foundation and assisted with corporate visit events hosted by the Rotary Club of Taiwan.</p> <p>◎In 2007, the Company joined the “Summer Energy-Saving Campaign – Corporate Group Commitment Signing Ceremony” organized by the Ministry of Economic Affairs, and supported the “FACEO Agricultural Association Leadership Camp” corporate visit organized by the Ministry of Agriculture.</p> <p>◎In 2008, the Company took part in the “My One Acre of Paddy – Corporate Rice Field Adoption Program” led by the Ministry of Agriculture, and contributed to post-disaster reconstruction efforts following the Wenchuan Earthquake in Sichuan, China.</p> <p>◎In 2009, the Company provided support for post-disaster reconstruction following Typhoon Morakot in Taiwan.</p> <p>◎ In 2011, the Company participated in donation activities for the reconstruction after the tsunami and earthquake in the Tohoku region of Japan and joined public welfare activities organized by the United Way of Taiwan."</p> <p>◎In 2013, the Company responded to the Ministry of Economic Affairs’ campaign encouraging timely price adjustments for imported goods in response to the depreciation of the Japanese yen, and participated in KPMG Taiwan’s “Happiness Train – Spread the Love” charity campaign.</p> <p>◎In 2014, the Company took part in KPMG Taiwan’s “Happiness, Dreams, and Flying with Love” public welfare activity.</p> <p>◎In 2017, the Company took part in KPMG Taiwan’s “Light up hope, and Flying with Love” public welfare activity.</p> | | | | |

| Promotion item | Execution status | | | Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|------------------|----|-------------|---|
| | Yes | No | Description | |
| <p>◎In 2019, the Company organized the “Munsin Cup” Charity Golf Friendship Tournament.</p> <p>◎In 2020, the Company participated in the “Love through Clothing Recycling” charity campaign organized by the Shiang Yu Developmental Center for the Intellectually Disabled.</p> <p>◎In 2021, in cooperation with the Red Cross Society, the Company organized the “Taiwan-Japan Friendship – Grateful Hearts” donation event to support emergency relief efforts in Japan. The Company also participated in breast cancer fundraising activities held during Mother’s Day.</p> <p>◎In 2024, the Company participated in the “Love through Clothing Recycling” charity campaign organized by the Shiang Yu Developmental Center for the Intellectually Disabled.</p> <p>(2) The Company is cooperating with government investigation agencies, such as the Intellectual Property Rights Protection Police of the National Police Agency, Ministry of the Interior, in the crackdown on counterfeit goods. This is to strengthen the prevention of unscrupulous manufacturers from counterfeiting the products represented by the Company, thereby causing market price chaos and harming consumer rights.</p> <p>(3) Cooperating with relevant departments of domestic universities and colleges to provide students with summer internship opportunities, such as the Department of Fashion Design and Business at Fu Jen Catholic University and the Department of Fashion Design at Shu-Te University.</p> <p>(4) "Regarding the use of fabric products, the Company complies with and follows the regulations of the Bureau of Standards, Metrology and Inspection, MOEA, for textile fabrics, including standards for textile fabrics such as the "National Safety Standards for Textiles" and washing guidelines such as the "Washing Labeling Regulations of the Textile Labeling Standards." Through Taiwan SGS Co., Ltd. (SGS), tests are conducted in accordance with CNS on testing items such as 'color fastness to washing,' and all meet legal standards."</p> | | | | |

(6) Climate-related information of TWSE/TPEX listed Companies

A. Implementation status of climate-related information:

| Item | Execution status |
|---|--|
| 1. Describing the Board of Directors' and Management's oversight and governance of climate-related risks and opportunities. | <p>(1) In response to the increasingly significant impact of climate change on corporate operations, the composition of the Company's Board of Directors considers the importance of professional knowledge and background in corporate sustainability. In the future, the nomination of independent directors will not only consider professional abilities in areas such as business management and operations, financial management, accounting, law, and corporate governance but will also strengthen practical experience and knowledge skills in climate change-related issues.</p> <p>(2) In 2024, the Company established a Sustainability Unit composed of senior executives and the Administration Division, and simultaneously set up various functional groups responsible for promoting and implementing business execution across all aspects of "sustainable operations, environmental sustainability, employee care, social participation, customer care, and corporate governance." The implementation effectiveness is regularly reported to the Board of Directors. In the future, the Company will continue to plan to link the performance evaluation items of management with the Company's ESG sustainable development goals, encouraging departments and employees to achieve the Company's sustainable operation goals, so that supervisors at all levels must consider the achievement of sustainability goals while striving for profits.</p> <p>(3) The Company's Board of Directors is the highest decision-making and supervisory body for climate risk management. To strengthen climate-related risk management, the Company will continue to establish relevant management systems and regulations in the future. The Sustainability Unit will be responsible for supervising the effectiveness of the operation of relevant management systems and regulations, and will regularly report the target planning and implementation status of climate-related risk management to the Audit Committee and the Board of Directors annually. This will facilitate the Board of Directors in tracking the progress of implementation, providing strategic feasibility or other recommendations, and urging relevant units to evaluate and adjust planning matters.</p> |
| <p>2. Describing how identified climate-related risks and opportunities have impacted the business, strategy, and finance (short-term, medium-term, long-term) of the enterprise.</p> <p>3. Describing the impact of extreme weather events and transition activities on finance.</p> | <p>(1) The Company has identified the impact of climate-related risks and opportunities on the Company's business, strategy, and finance (short-term, medium-term, long-term), and summarized them in the table below.</p> <p>(2) Regarding the financial impact of extreme weather events and transition activities, the financial impact of the response measures is listed in the table below.</p> |

| Item | Execution status | | | | | | | |
|------|------------------|--------------|---|------------------------|---|--|--|--|
| | Risk category | Risk profile | Risk content | Time of impact | Impact of risks on Company's strategy, operation and finance | Response to strategic plan | Financial impact of solutions | Results and performance |
| | Physical risks | Immediacy | Increased severity of extreme weather events such as typhoons, floods, etc. | Short-term (1–3years) | Increased probability of extreme weather events may cause power outages, transportation disruptions, leading to operational and supply chain interruptions and affecting employees' lives. If we estimate based on one day of work stoppage due to a typhoon, it will result in a revenue reduction of approximately NT\$3,000 thousand. | To avoid the impact of natural disasters, preventive mechanisms have been initiated, such as investing in insurance, inspecting relevant equipment, and providing personnel response training to mitigate the impact when disasters occur. | <ul style="list-style-type: none"> ● Conducting disaster response training for employees has increased training costs by approximately NT\$30 thousand. ● The cost of insuring against disaster-related risks is approximately NT\$400 thousand. ● Adding relevant equipment has increased equipment costs by approximately NT\$300 thousand. | <ul style="list-style-type: none"> ● In response to the potential operational impact of natural disasters, the Company has insured its products to transfer the risk of cargo damage; the insured amount for products in 2024 is approximately NT\$350 thousand. ● In 2024, the Company carried out equipment strengthening projects of approximately NT\$200 thousand and recovery from typhoon damage of approximately NT\$30 thousand to avoid financial losses caused by equipment damage. |
| | | Long-term | Rising average temperatures | Medium-term (3–5years) | The significant changes in temperature due to the increasing number of extreme high-temperature days have influenced consumer preferences and demand for apparel. To meet market demand, we are dedicated to sourcing functional fabrics, such as moisture-wicking materials. This has led to an increase in development and procurement costs. | We are conducting in-depth research into consumer needs to develop products that adapt to climate change, such as UVA-resistant and cooling items. | The introduction of products that meet market demand will result in increased development costs in the short term. However, once these products are successfully developed and launched, they will lead to an increase in sales revenue, thereby boosting the Company's overall revenue. | In 2024, the Company successfully launched 16 product styles, generating approximately NT\$52,886 thousand in operating revenue. |

| Item | Execution status | | | | | | |
|------|-----------------------------------|--|-----------------------|---|--|--|--|
| | Opportunity category | Opportunity profile | Time of impact | Opportunity of risks on Company's strategy, operation and finance | Response to strategic plan | Financial impact of solutions | Results and performance |
| | Consumer preferences and products | Increasing the supply of low-carbon products and services may substitute existing products and services. | Long-term (5–10years) | <p>The rising environmental awareness among consumers leads to a preference for purchasing low-carbon or environmentally friendly products. If the Company can respond to consumer behavior and supplier strategies by prompting suppliers to adopt new technologies and equipment to increase the supply of low-carbon or environmentally friendly goods, and on the other hand, collaborate with raw material suppliers to choose recycled/organic cotton fabrics to produce low-carbon products, it can cater to the market's demand for such products, steadily address the sustainable consumption trend, and consequently increase revenue.</p> | <ul style="list-style-type: none"> ● Requiring partner factories to comply with environmental protection, such as reducing wastewater and air pollution emissions, can directly lower their negative impact on the environment. These measures complement the use of low-carbon goods, as low-carbon goods typically generate fewer carbon emissions during their production and use. ● To ensure that carbon dioxide is minimized throughout the product lifecycle, from raw material sourcing, production, usage, to waste disposal, suppliers will be asked to provide establishment registration, wastewater, and air pollution discharge permits to ensure they meet certain environmental standards. ● We have close collaboration with raw material suppliers to jointly explore the development direction of new raw materials. | <p>If low-carbon or environmentally friendly products can successfully attract consumer purchases, it will increase the company's revenue.</p> | <p>In 2024, the sales of the Company's low-carbon products accounted for 6% of the total sales. In the future, we will continue our efforts to contribute to reducing carbon emissions and protecting the environment.</p> |

| Item | Execution status | | | | | | |
|------|---|---|-----------------------|---|--|---|---|
| | Opportunity category | Opportunity profile | Time of impact | Opportunity of risks on Company's strategy, operation and finance | Response to strategic plan | Financial impact of solutions | Results and performance |
| | Product and packaging material recycling | Promoting the use of recycled materials at the source and emphasizing the circular benefits of the transportation process and end-of-life products. | Long-term (5–10years) | Adopting a circular economy model can enhance the Company's environmental image and reduce resource waste by optimizing transportation processes. Although initial investment may be higher, leading to increased costs and compressed profits, in the long run, significant reductions in operating costs can be achieved by decreasing energy and resource consumption. | <ul style="list-style-type: none"> ● We recycling cardboard boxes used for transporting raw materials and reuse them for product packaging. ● By utilizing factory packaging materials, recycling cartons, paper tubes and plastic tubes for recycling, we take advantage of vertical integration to promote the recycling of packaging materials, reduce the consumption of resources, and at the same time, reduce the generation of waste in the Company. | Collecting, sorting, and storing recycled cardboard boxes currently does not incur additional operating costs. | The Company actively recycles cardboard boxes used for transporting raw materials and reuses them for product packaging. In 2024, the Company achieved 100% recycling of cardboard boxes used for transporting raw materials, achieving carbon reduction and leveraging energy reuse. |
| | Logistics and transportation efficiency enhancement | Reducing energy use and emissions by utilizing efficient distribution processes. | Long-term (5–10years) | Avoiding the expenses and human resource waste caused by repetitive deliveries, and employing highly efficient production and distribution processes, can significantly save energy consumption, reduce carbon emissions, and simultaneously decrease logistics and transportation costs. | Improve logistics management to reduce the number of shipments and lower transportation carbon emissions. | Reducing the number of shipments can decrease the frequency of transport; however, increasing the volume of each shipment may require larger transportation vehicles or more transportation resources, potentially increasing transportation costs. | In 2024, the Company completed improvements to its transportation processes, successfully reducing the number of shipments and thereby significantly lowering carbon emissions during transportation. |

| Item | Execution status | | | | | | | | | | |
|---|---|--------------------|---------|---------------------|--|------------------|---|--------------|---|----------------|--|
| 4. Describe how the identification, assessment, and management processes of climate-related risks are integrated into the overall risk management system. | <p>The Company's Board of Directors is responsible for reviewing and overseeing the implementation of the Company's overall risk management. To effectively address the risks posed by climate change, the Company fully integrates the identification, assessment, and management processes of climate-related risks into its overall risk management system. The Sustainable Development Unit is responsible for identifying and managing the physical and transition risks brought about by climate change. Based on the identified climate change risks and opportunities, the unit proposes specific risk management measures and response strategies, establishes relevant indicators, and implements target management to ensure the effective implementation of climate change response strategies and risk management objectives. The Sustainable Development Unit reports to the Board of Directors regularly, ensuring that the integrated risk management system can effectively address the challenges posed by climate change. The climate risk management process is primarily divided into four major steps, from risk identification, measurement, monitoring, to reporting, described as follows:</p> <table> <tr> <th>Management Process</th><th>Content</th></tr> <tr> <td>Risk identification</td><td> (1) In accordance with the government's planned schedule, the Company conducts an annual identification of climate-related risks and opportunities based on its business characteristics. (2) Integration of overall risk identification by the Risk Management Department and relevant departments. (3) Reference to climate risk reports from international organizations. </td></tr> <tr> <td>Risk measurement</td><td> (1) The Company assesses the impact and severity of various risks based on industry characteristics. (2) The scope of measurement includes impact pathways, impact timing and geographical scope, affected value chain positions, and financial impacts. </td></tr> <tr> <td>Risk control</td><td> (1) Incorporating environmental and social risk factors into the industry risk level assessment mechanism. (2) Monitoring climate risk indicators to control the value loss caused by climate risks. </td></tr> <tr> <td>Risk reporting</td><td> (1) Regularly reporting the usage of various risk indicators or limits to the Audit Committee and the Board of Directors. (2) Reporting risk-related information to independent directors on an ad-hoc basis. </td></tr> </table> | Management Process | Content | Risk identification | (1) In accordance with the government's planned schedule, the Company conducts an annual identification of climate-related risks and opportunities based on its business characteristics. (2) Integration of overall risk identification by the Risk Management Department and relevant departments. (3) Reference to climate risk reports from international organizations. | Risk measurement | (1) The Company assesses the impact and severity of various risks based on industry characteristics. (2) The scope of measurement includes impact pathways, impact timing and geographical scope, affected value chain positions, and financial impacts. | Risk control | (1) Incorporating environmental and social risk factors into the industry risk level assessment mechanism. (2) Monitoring climate risk indicators to control the value loss caused by climate risks. | Risk reporting | (1) Regularly reporting the usage of various risk indicators or limits to the Audit Committee and the Board of Directors. (2) Reporting risk-related information to independent directors on an ad-hoc basis. |
| Management Process | Content | | | | | | | | | | |
| Risk identification | (1) In accordance with the government's planned schedule, the Company conducts an annual identification of climate-related risks and opportunities based on its business characteristics. (2) Integration of overall risk identification by the Risk Management Department and relevant departments. (3) Reference to climate risk reports from international organizations. | | | | | | | | | | |
| Risk measurement | (1) The Company assesses the impact and severity of various risks based on industry characteristics. (2) The scope of measurement includes impact pathways, impact timing and geographical scope, affected value chain positions, and financial impacts. | | | | | | | | | | |
| Risk control | (1) Incorporating environmental and social risk factors into the industry risk level assessment mechanism. (2) Monitoring climate risk indicators to control the value loss caused by climate risks. | | | | | | | | | | |
| Risk reporting | (1) Regularly reporting the usage of various risk indicators or limits to the Audit Committee and the Board of Directors. (2) Reporting risk-related information to independent directors on an ad-hoc basis. | | | | | | | | | | |

| Item | Execution status |
|--|--|
| 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts ¹ used should be explained. | The Company has not yet adopted climate change scenario analysis. In the future, it will refer to industry risk assessments and economic situation analysis reports issued by well-known domestic and international institutions, incorporating the environmental and social risk factors of the Company's industry into the level considerations of various industry risks. This includes the impact of emerging environmental or social factors on industry trends, climate transition risk costs, and industry entry barriers. The goal is to comprehensively review all operating locations and analyze climate-related financial impacts from multiple perspectives across different time points and scenarios. |
| 6. If there are transition plans to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks. | In 2024, the Company has not yet established specific transition plans or related indicators and targets. However, in the future, we will conduct a comprehensive assessment of the identified climate-related risks and opportunities and, based on the Company's specific circumstances, establish corresponding projects to address these challenges and opportunities. |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained. | The Company has not yet used internal carbon pricing tools. However, to align with international carbon reduction trends and respond to the concept of "scientific carbon reduction, valuable carbon rights," we will, in the future, refer to the carbon price range in the "CDP Carbon Disclosure Project," combined with the Company's historical carbon reduction performance and future potential carbon reduction costs (such as replacing energy-efficient equipment), and incorporate the input and output of each energy-saving improvement action plan into the carbon price parameters for calculation. |
| 8. If climate-related targets have been set, the activities covered, scope of greenhouse gas emissions, planning timeline, and annual progress should be explained; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant | <p>(1) In 2024, the Company has not yet set specific climate-related targets, nor has it used carbon offsets or Renewable Energy Certificates (RECs) to achieve such targets.</p> <p>(2) According to the roadmap, the Company plans to disclose the assurance of greenhouse gas emissions in 2028 and set short-term, medium-term, and long-term plans to reduce Scope 1 and Scope 2 greenhouse gas emissions by implementing the use of energy-efficient equipment and actually using renewable energy (green electricity).</p> |

| Item | Execution status |
|--|---|
| targets, the source and quantity of the offset carbon reduction or the quantity of Renewable Energy Certificates (RECs) should be explained. | |
| 9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans. | In accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of the Taipei Exchange and the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" of the Financial Supervisory Commission, the Company plans to disclose inventory information in 2026, with 2026 as the base year at the latest, and disclose reduction targets, strategies, and specific action plans for 2027. |

(7) Ethical Corporate Management implementation status and deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| 1. Establishment of ethical corporate management policies and programs | | | | |
| (1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? | V | | (1) The Company's "Ethical Corporate Management Best Practice Principles" policy was approved and established by the Board of Directors on May 19, 2011. All members of the Board of Directors and management have committed to actively implementing and complying with it. | No material differences |
| (2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | V | | (2) 1. The Company has established "Work Rules" for employees, which stipulate that employees shall not directly or indirectly offer or accept any unreasonable gifts, hospitality, or other improper benefits to avoid employees sacrificing the Company's interests for personal gain. Furthermore, members of the Board of Directors and management faithfully perform their duties and exercise the due diligence of a good manager, acting with a high degree of self-discipline and prudence in the exercise of their powers. The Company has established "Regulations for the | |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| (3) Does the Company specify procedures, behavioral guidelines, penalties for violations, and a grievance system in its integrity prevention program, ensure its implementation, and regularly review and revise the program? | V | | <p>Prevention of Insider Trading," which clearly stipulates that directors, managers, and employees shall not disclose any material internal information they are aware of to others, and shall not inquire about or collect non-public material internal information of the Company that is irrelevant to their duties from persons who are aware of such information. They shall also not disclose non-public material internal information of the Company that they have learned not in the course of performing their duties to others.</p> <p>2. The Company adheres to the Company Act, the Securities and Exchange Act, the Business Accounting Act, relevant regulations for TWSE/TPEX listed companies, and other laws and regulations concerning commercial conduct as the basis for implementing ethical corporate management. The Company integrates this with the basis for employee performance evaluation and has established clear and effective reward and disciplinary systems.</p> <p>(3) The Company clearly stipulates operating procedures, codes of conduct, disciplinary measures for violations, and grievance systems in its "Ethical Corporate Management Best Practice Principles" as the foundation for implementing ethical corporate management. All new employees are required to sign</p> | |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| | | | documents such as guarantee letters and information security confidentiality agreements, with their personal signature serving as confirmation. Any illegal acts will be reported through legal channels. The Company has established "Regulations for the Management of Whistleblowing Systems," providing whistleblowing channels and systems on its official website. Whistleblowers include both employees and non-employees, and toll-free 0800 telephone numbers, direct mail to the company, or email to munsin@ms7.hinet.net are provided as channels for reporting or lodging grievances. | |
| 2. Fulfill operations integrity policy (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts? | V | | (1) The Company's primary business transaction model is based on sales through department store counters, supplemented by distributors. Integrity clauses are explicitly stated in the contracts signed with them to prevent dishonest acts, such as the sale of counterfeit goods. | No material differences |
| (2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? | V | | (2) The Company's ethical corporate management promotion unit is the administration division, which is responsible for diligently following the "Ethical Corporate Management Best Practice Principles," and for handling the execution and notification content registration and filing of these operating procedures and codes of conduct, as well as | |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|---|--|
| | Yes | No | Description | |
| (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? | V | | <p>supervising their implementation. It also reports to the Board of Directors regularly (at least once a year). If any violations of regulations occur, they will be submitted to the Board of Directors for resolution in accordance with the rules.</p> <p>(3) All directors, managers, and other stakeholders attending or present at Board meetings maintain a high degree of self-discipline. When matters presented at board meetings involve a conflict of interest with themselves or with the legal entities they represent, they must clearly explain the material aspects of such conflicts at the meeting. If such conflicts may be detrimental to the interests of the Company, the director shall neither participate in the discussion or voting nor act as a proxy for other directors in voting on such matters. Directors should also exercise self-discipline and avoid inappropriate mutual support. When Company personnel are executing Company business and discover a situation where there is a conflict of interest with themselves or the legal entity they represent, or a situation that may improperly benefit themselves, their spouse, parents, children, or related parties, they shall simultaneously report the relevant circumstances to their immediate supervisor and the Company's dedicated unit. The immediate supervisor shall provide appropriate guidance.</p> | |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|--|--|
| | Yes | No | Description | |
| <p>(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p> | <p>V</p> <p>V</p> | | <p>(4) To ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. Internal auditors conduct irregular audits of compliance with the aforementioned systems, and relevant audit reports are submitted to all directors for their review. Furthermore, financial reports are audited (or reviewed) by certified public accountants in accordance with regulations and are publicly announced as required. The Company has not experienced any incidents of corruption or fraud in recent years.</p> <p>(5) The Company regularly reminds employees of the importance of integrity during its annual training courses. In particular, when external organizations hold relevant seminars or forums, the Company also sends personnel to participate. Additionally, the annual training courses for directors include topics such as regulations on insider trading and market manipulation, integrity management, and corporate social responsibility.</p> | |
| <p>3. Operation of the corporate reporting system</p> <p>(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> | V | | <p>(1) The Company operates through functional division of labor and the design of internal control systems. The Company has established comprehensive "Regulations for the Management of Whistleblowing</p> | No material differences |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|---|-----------------------|----|---|--|
| | Yes | No | Description | |
| <p>(2) Has the Company established standard operating procedures for handling the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?</p> <p>(3) Has the Company adopted measures to protect whistleblowers from being subjected to improper treatment as a result of their reporting?</p> | V | | <p>Systems," which are available for inquiry on the Company's official website. The content includes whistleblowing methods, content, and reward systems, and provides channels for reporting or lodging grievances such as a toll-free 0800 telephone number, direct mail to the company, or email to munsin@ms7.hinet.net. Dedicated personnel in relevant departments are responsible for handling these matters to prevent acts that violate the principle of integrity.</p> <p>(2) The Company makes written records of all reported cases upon acceptance, and relevant units conduct investigation, processing, and reporting.</p> <p>(3) The Company adopts protective measures for whistleblowers and conducts confidentiality operations in accordance with the "Personal Data Protection Act."</p> | |
| <p>4. Strengthening information disclosure</p> <p>(1) Does the Company disclose the content of its established ethical corporate management and the effectiveness of its implementation on its website and the Market Observation Post System?</p> | V | | <p>The Investor Relations section of the Company's website discloses ethical corporate management-related information such as implementation of ethical corporate management. The Company ensures that information is disclosed to the regulatory authorities or the public in a complete, fair, accurate, timely, and understandable manner. Please refer to the Market Observation Post</p> | No material differences |

| Evaluation items | Implementation status | | | Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof |
|--|-----------------------|----|------------------------------------|--|
| | Yes | No | Description | |
| | | | System and the Company's website." | |
| <p>5. If the Company has established its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please explain the differences between its operation and the established code:</p> <p>The Company's 'Ethical Corporate Management Best Practice Principles were approved and established by the Board of Directors on May 19, 2011, and there are no differences between it and the 'Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Company strictly adheres to and implements the regulations of the principles. Independent directors, the Administration Division, and audit unit personnel work closely together, and the CPAs also review the financial statements provided by the finance department to prevent any acts that violate the principle of integrity.</p> | | | | |
| <p>6. Other important information to facilitate better understanding of the Company’s implementation of ethical corporate management:</p> <p>The Company has followed the law to establish Ethical Corporate Management Best Practice Principles for directors, managers, and employees, thereby enhancing the professional ethics of all employees and the effectiveness of implementing integrity management.</p> | | | | |

(8) Other important information that may enhance our understanding of the Company's corporate governance operations

(A) Further education of the Company's auditors and agents:

| Title | Name | Training date | Date of training | Organizer | Training hours |
|------------------|---------------|---------------|--|--|----------------|
| Audit supervisor | HSIA CHUN HAO | 2024/08/29 | Taiwan Institute of Economics Research | Exploring Ways to Strengthen Legal Compliance Audits Through Penalty Cases | 6.0 |
| | | 2024/09/27 | Taiwan Institute of Economics Research | Seminar on Latest Regulations and Internal Audit Practices for Information Security | 6.0 |
| Audit Agent | LIN HSIAO LAN | 2024/07/26 | Taiwan Institute of Economics Research | Internal Audit Strategies for Corporate Sustainability Transformation in a Sustainable Environment | 6.0 |
| | | 2024/09/27 | Taiwan Institute of Economics Research | Seminar on Latest Regulations and Internal Audit Practices for Information Security | 6.0 |

B. The Company promptly discloses significant information on the Market Observation Post System for investors' awareness and has regularly held investor conferences since 2022 to explain the Company's operational status.

C. The Company's website also discloses information on functional committees, including the composition, responsibilities, and operations of the Audit Committee and the Remuneration Committee.

D. Employee Conduct and Ethical Standards:

(A) The Company's work rules explicitly state that employees shall not use their position for personal gain, engage in fraudulent activities, or seek illegal benefits for themselves or others, nor shall they accept any gifts or enjoy other improper

benefits. Key points in the Company's employee reward and punishment regulations also clearly stipulate the relevant penalties for violating the aforementioned standards to ensure the Company's commitment to integrity in its operations.

(B) During the onboarding training for new employees, the Company strongly emphasizes its core values, one of which is "Integrity," while also highlighting the importance of ethical conduct in the workplace. This ensures that new hires fully understand the Company's determination and policies regarding ethical operations. Furthermore, this is integrated with the employee performance appraisal system to provide timely and appropriate rewards and disciplinary actions.

(C) The Company's work rules include the following content:

a. During their employment, all company employees shall abide by the following codes of conduct:

(a) All employees, when representing the Company externally, must do their utmost to maintain the Company's image.

(b) Employees shall be loyal to their duties, follow the implementation of the Company's policies, systems, regulations, and procedures, and obey the tasks assigned by their supervisors within their scope of authority.

(c) Employees shall maintain a clear distinction between public and private matters, respect each other's dignity, interact sincerely, and work together to achieve the goals of the Company's operations.

(d) Employees shall comply with company transfers and assignments made due to business needs and shall not refuse or evade them without justifiable reason.

(e) Employees shall strive for accuracy in the performance of duties and shall not be afraid of difficulties, avoid responsibilities, or delay tasks without reason.

(f) Employees shall keep salary and compensation confidential information and shall not arbitrarily disclose or inquire about it.

(g) Employees shall not engage in gambling, fighting, drug use, or any behavior that harms public morals in the workplace.

(h) Employees shall not, without the Company's consent, browse documents,

correspondence, and accounting records unrelated to their own work (employees shall also not disclose documents and information under their own management to irrelevant third parties).

(i) Employees shall comply with employee safety and health regulations and maintain the safety and hygiene of the workplace and its surroundings.

b. To prevent sexual harassment in the workplace and safeguard gender equality and personal dignity, the "Measures for Prevention, Complaint, and Disciplinary Action against Sexual Harassment" are specifically established, providing avenues for complaints and investigations. If substantiated, the Company will impose disciplinary actions commensurate with the severity of the circumstances or terminate employment in accordance with Article 12 of the Labor Standards Act. In cases involving criminal liability, the Company may refer the matter to the judicial authorities for processing.

(9) Status of implementation of internal control system

A. Statement of internal control system

Munsin Garment Co., Ltd.
Statement of Internal Control System

Date: March 12, 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2024:

1. The Company acknowledges that establishing, implementing, and maintaining an internal control system is the responsibility of the Board of Directors and management, and the Company has already established such a system." Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the Board of Directors in their meeting held on March 12, 2025, with none of the eight attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Munsin Garment Co., Ltd.
Board Chairperson: LI CHIUN LIANG (Signature)
President: GOTO KENJI (Signature)

B. The independent auditors' report should be disclosed if CPAs are engaged to conduct an audit of internal control

The Company did not engage CPAs to conduct an audit of internal control during the year.

(10) Important Resolutions of the shareholders' meeting and the Board of Directors' meeting in the recent year and up to the publication date of the annual report

A. Shareholders' meeting

| Date | Important resolutions | Execution status |
|--|---|--|
| 2024.05.29 General shareholders' meeting | Approved the recognition of the 2023 annual report and appropriation of earnings. | Following a vote, the original Board of Directors' proposal was approved. The relevant documents have been filed with and publicly announced to the competent authorities in accordance with the Company Act and other relevant laws and regulations. The record date for dividend distribution is set for June 8, 2024, and the cash dividend was distributed on July 5, 2024. |

B. Board of Directors

| Date | Important resolutions |
|------------|---|
| 2024.01.17 | To approve the proposal to entrust the construction of a warehouse on the Company's own real estate located at Land No. 7-59, Changhong Section, Yangmei District, Taoyuan City. |
| 2024.03.08 | 1. Approved the 2024 operational plan and annual budget. 2. Approved the 2023 employee and director remuneration distribution proposal. 3. Approved the 2023 financial statements, business report, and earnings distribution proposal. 4. Approved the 2023 earnings distribution cash dividend proposal. |

| Date | Important resolutions |
|------------|--|
| | <p>5. Approved the issuance of the 2023 "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System."</p> <p>6. Approved the 2023 year-end bonus for the Chairperson and President.</p> <p>7. Approved the amendment of partial articles of the "Audit Committee Charter."</p> <p>8. Approved the amendment of partial articles of the "Rules of Procedure for Board Meetings."</p> <p>9. Approved the authorization of the Chairperson to negotiate new brand agency and purchase agreements.</p> <p>10. Approved the renewal of a short-term credit line financing agreement with a bank.</p> <p>11. Approved the renewal of a short-term credit line financing agreement with a bank.</p> <p>12. Approved the renewal of a short-term credit line financing agreement with a bank.</p> <p>13. Approved the renewal of a short-term credit line financing agreement with a bank.</p> <p>14. Set the date for the 2024 General Shareholders' Meeting and the period for accepting written proposals from shareholders.</p> |
| 2024.04.01 | <p>1. Approved the proposal to add the "Regulations for Employee Subscription of Common Shares in Cash Capital Increase."</p> <p>2. Approved the proposal to proceed with the 2024 capital increase for by new share issuance..</p> |
| 2024.05.09 | <p>1. Approved the 2024 first quarter financial statements.</p> <p>2. Approved the managers' employee stock option allocation by the 2024 Issuance of common shares for cash</p> <p>3. Approved the review of the salary and remuneration for the newly appointed manager.</p> <p>4. Approved the renewal of a short-term credit line financing agreement with a bank.</p> |
| 2024.08.12 | <p>1. Approved the evaluation and appointment of the 2024 attesting CPAs</p> |

| Date | Important resolutions |
|------------|---|
| | <p>regarding their independence and competence.</p> <p>2. Approved the 2024 second quarter financial statements.</p> <p>3. Approved the renewal of a short-term credit line financing agreement with a bank.</p> |
| 2024.11.12 | <p>1. Approved the financial statements for the third quarter of 2024.</p> <p>2. To amend the "General Principles of the Policy on Pre-approval of Non-assurance Services."</p> <p>3. To establish the "Internal control operating procedures for the management of sustainability information."</p> <p>4. To establish the "Greenhouse Gas Inventory Operating Procedures."</p> <p>5. To approve the Internal Audit Operational Audit Plan for the year 2025.</p> <p>6. Approved the renewal of a short-term credit line financing agreement with a bank.</p> |
| 2025.03.12 | <p>1. Approved the 2025 operational plan and annual budget.</p> <p>2. Approved the 2024 employee and director remuneration distribution proposal.</p> <p>3. Approved the 2024 financial statements, business report, and earnings distribution proposal.</p> <p>4. Approved the 2024 earnings distribution cash dividend proposal.</p> <p>5. Approved the change of attesting CPAs starting from 2025.</p> <p>6. Approved the evaluation and appointment of the 2024 attesting CPAs regarding their independence and competence.</p> <p>7. Approved the issuance of the 2024 "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System."</p> <p>8. Approved the definition of "grassroots employees."</p> <p>9. Amendment of partial articles of the "Articles of Incorporation."</p> <p>10. Approved the renewal of a short-term credit line financing agreement with a bank.</p> <p>11. Approved the 2024 year-end bonus for the Chairperson and President.</p> <p>12. Election of directors</p> <p>13. Nomination and review of the candidates for the 17th Board of Directors.</p> |

| Date | Important resolutions |
|------|---|
| | 14. Lifting of the non-competition restrictions on the newly appointed directors. |
| | 15. Arrangements for the 2025 General Shareholders' Meeting. |

- (11) In the most recent year and up to the publication date of the annual report, any director or supervisor having dissenting opinions on important resolutions passed by the board of directors and having records or written statements

None

4. Auditor's fees

- (1) The amount of audit and non-audit fees paid to the CPAs and their firms and affiliates

Amount Unit: NT\$ thousand

| CPA firm name | CPA name | Audit period | Audit fees | Non-audit fees | Total | Remarks |
|---------------|--------------|-----------------------|------------|----------------|-------|---------|
| KPMG Taiwan | CHEN YI CHUN | 2024.01.01-2024.12.31 | 2,380 | 1,871 | 4,251 | |
| | CHEN YING JU | 2024.01.01-2024.12.31 | | | | |

- (2) Details of non-audit fees paid to the attesting CPAs, their firm, and related enterprises

The non-audit service fees for the Company in 2024 include: tax certification fees, transfer pricing report fees, fees for reviewing salary information of full-time employees who are not supervisors, commercial registration fees, sustainability report consulting service fees, and prepaid expenses.

- (3) If the CPA firm is changed and the audit fee paid for the year of change is lower than the audit fee of the previous year, the amounts of the audit fees before and after the change and the reasons for the change should be disclosed.

The Company did not change its CPA firm in 2024.

- (IV) If the audit fee is reduced by ten percent or more compared to the previous year, the reduced amount, percentage, and reasons for the reduction should be disclosed.

The audit fee for the Company in 2024 did not decrease by ten percent or more compared to the previous year.

5. Information on Changing CPAs

(1) About the former CPAs

| | | | | |
|--|---|----------------|------------------------------------|----------------|
| Change date | Approved by the Board of Directors on March 12, 2025 | | | |
| Reasons for and explanation of the change: | The Company's attesting CPAs were originally CHEN YI CHUN and CHEN YING JU of KPMG Taiwan. Due to an internal rotation adjustment within the firm, the engagement was changed to CHEN YI CHUN and HSU SHU MIN of the same firm. | | | |
| Describe termination or non-acceptance of appointment by appointor or CPAs | Parties involved Circumstances | | CPA | Appointor |
| | Termination of appointment on the his/her own initiative | | Not applicable | Not applicable |
| | Discontinuance (continuation) of appointment | | Not applicable | Not applicable |
| Opinions and reasons for issuing unqualified audit reports within the latest two years | The CPAs have not issued any audit report other than an unqualified opinion in the last two years. | | | |
| Any disagreement with the issuer | Yes | | Accounting principles or practices | |
| | | | Disclosure in financial reports | |
| | | | Scope or Procedure of the Audit | |
| | | | Others | |
| | | | | |
| | None | V | | |
| | Description | Not applicable | | |
| Other disclosures | Not applicable | | | |

(I) About the successor CPAs

| | |
|---|--|
| CPA firm name | KPMG Taiwan |
| CPA Name: | CHEN YI CHUN, HSU SHU MIN |
| Date of appointment | Approved by the Board of Directors on March 12, 2025 |
| Issues and results of the pre-appointment consultation on the | Not applicable |

| | |
|---|----------------|
| accounting treatment or accounting principles for specific transactions and advice on the possible issuance of financial statements | |
| Written opinion of the successor CPAs on matters on which the former CPAs disagreed | Not applicable |

(3) The former CPAs' response regarding the matters specified in Article 10, paragraph 6, subparagraph 1 and subparagraph 2.3 of this regulations.

Not applicable

6. Information on the Company's Chairperson, President, and managers responsible for finance or accounting affairs who have held positions at the attesting CPAs' Firm or its affiliated enterprises within the most recent year:

None

7. Information on directors, supervisors, managers, and shareholders holding more than 10% of the shares, and on shareholding transfers and pledge changes for the most recent year and up to the date of publication of the annual report:

(1) Changes in shareholdings of directors, supervisors, managers, and major shareholders:

| Title | Name | 2024 | | For the three months ended March 30, 2025 | |
|--|---|------------------------------------|------------------------------------|---|------------------------------------|
| | | Holding shares increase (decrease) | Pledged shares increase (decrease) | Holding shares increase (decrease) | Pledged shares increase (decrease) |
| Chairperson of the Board | LI CHIUN LIANG | 372,544 | None | None | None |
| Director and president | GOTO KENJI | 33,020 | None | None | None |
| Director | LI CHIUN MI | 74,323 | None | None | None |
| Director | LI DERING | 352,452 | None | None | None |
| Corporate director and major shareholder | Descente Ltd. (Japan) | 1,500,000 | None | None | None |
| | Representative: SHINJI UEYAMA (note 1) | None | None | Not applicable | Not applicable |
| | Representative: MIYAYAMA NAOTO (note 1) | None | None | None | None |
| Corporate director | JACKSIYA INVESTMENT CO., LTD. | 796,767 | (500,000) | None | None |
| | Representative: TSAI SHIH YUNG | None | None | None | None |
| Independent director | HUANG BO CHEN | None | None | None | None |
| Independent | JAN HUNG TU | 1,491 | None | None | None |

| Title | Name | 2024 | | For the three months ended March 30, 2025 | |
|----------------------------------|--------------------------|------------------------------------|------------------------------------|---|------------------------------------|
| | | Holding shares increase (decrease) | Pledged shares increase (decrease) | Holding shares increase (decrease) | Pledged shares increase (decrease) |
| director | | | | | |
| Independent director | HOSONUMA ISAO | None | None | None | None |
| Executive Vice president | TSAI SHIH CHIEH (note 2) | None | None | Not applicable | Not applicable |
| Vice President | LIN YUAN YU | 20000 | None | None | None |
| Vice President of Administration | KUO CHIEN LUNG | None | None | None | None |
| Assistant Vice President | LI JIAN RUEY | 100,000 | None | None | None |
| Assistant Vice President | HO CHI YUAN | 1,480 | None | (401) | None |
| Assistant Vice President | CHOU CHAO YU | (40,000) | None | None | None |
| Assistant Vice President | CHOU SUNG YU | 14,706 | None | None | None |
| Assistant Vice President | LIN CHIU CHING | (5,000) | None | None | None |
| Assistant Vice President | CHU HUNG CHI (note 3) | None | None | None | None |
| Assistant Vice President | LI HSIANG FANG | None | None | None | None |
| Assistant Vice President | HUNG SHIH HUI | None | None | None | None |
| Assistant Vice President | CHEN CHIEN MING | (6,037) | None | (1,000) | None |

Note1: On June 1, 2024, DESCENTE, LTD. (Japan) appointed MIYAYAMA NAOTO as the new representative, and the previous representative, SHINJI UYEYAMA, has resigned.

Note 2: Executive Vice President TSAI SHIH CHIEH retired on June 30, 2024.

Note 3: Assistant Vice President CHU HUNG CHI assumed the position on May 1, 2024.

(2) Share transfer information: The counterparty in the share transfer is not a related party, therefore not applicable.

(3) Share pledge information: The counterparty in the share pledge is not a related party, therefore not applicable.

8. Information on the top ten shareholders by shareholding ratio, and their relationships as related parties or as spouses or relatives within the second degree of kinship

Information on the relationships between the top ten shareholders by shareholding ratio

March 30, 2025

| Name | Shares held by the person | | Number of shares held by spouse and minor children | | Total number of shares held under others' names | | The names and relationships of the top ten shareholders who are related parties or have spousal or second-degree or closer kinship | | Remarks |
|--|---------------------------|--------------------|--|--------------------|---|--------------------|--|-------------------------------|---------|
| | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Name | Relations | |
| Descente Ltd. (Japan) | 8,325,000 | 12.88% | None | None | None | None | Mega International Commercial Bank custodial investment account for Hong Kong Descente Trading Co., Ltd. | Subsidiary investment account | |
| Representative: SHUICHI KOSEKI | None | None | None | None | None | None | None | None | |
| JACKSIYA INVESTMENT CO., LTD. | 6,151,206 | 9.52% | None | None | None | None | None | None | |
| Representative: TSAI SHIH YUNG | None | None | None | None | None | None | None | None | |
| Mitsui & Co., Ltd. (Japan) | 3,398,714 | 5.26% | None | None | None | None | Mitsui & Co., Ltd. (Taiwan) | Parent company and subsidiary | |
| Representative: KENICHI HORI | None | None | None | None | None | None | None | None | |
| LI CHIUN LIANG | 3,073,398 | 4.76% | None | None | None | None | LI JIAN RUEY | Father and son | |
| LI DERING | 2,919,567 | 4.52% | None | None | None | None | None | None | |
| Mao Chang Xing Ji Investment Co., Ltd. | 2,496,479 | 3.86% | None | None | None | None | None | None | |
| Representative: WANG YONG HAN | 25,686 | 0.04% | None | None | None | None | None | None | |
| LI JIAN RUEY | 2,450,712 | 3.79% | None | None | None | None | LI CHIUN LIANG | Father and son | |
| Mega International Commercial Bank custodial investment account for Hong | 1,365,000 | 2.11% | None | None | None | None | Descente Ltd. (Japan) | Subsidiary investment account | |

| Name | Shares held by the person | | Number of shares held by spouse and minor children | | Total number of shares held under others' names | | The names and relationships of the top ten shareholders who are related parties or have spousal or second-degree or closer kinship | | Remarks |
|---------------------------------|---------------------------|--------------------|--|--------------------|---|--------------------|--|-------------------------------|---------|
| | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Number of shares | Shareholding ratio | Name | Relations | |
| Kong Descente Trading Co., Ltd. | | | | | | | | | |
| CHANG SUNG KUANG | 1,211,000 | 1.87% | None | None | None | None | None | None | |
| Mitsui & Co., Ltd. (Taiwan) | 1,128,204 | 1.75% | None | None | None | None | Mitsui & Co., Ltd. (Japan) | Parent company and subsidiary | |
| Representative: YUICHI MASUDA | None | None | None | None | None | None | None | None | |

9. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee company, and the consolidated shareholding ratio calculated together

Consolidated shareholding ratio

March 31, 2025; Unit: Shares; %

| Investee company | Investment by the Company | | Investment by directors, supervisors, managers, and businesses directly or indirectly controlled by the Company | | Consolidated investment | |
|-------------------------------------|---------------------------|-------------------------|---|-------------------------|-------------------------|-------------------------|
| | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage |
| Bidford Holdings Limited | 2,900,000 | 25.69% | None | 0.00% | 2,900,000 | 25.69% |
| Munsin (Shanghai) Trading Co., Ltd. | None | 25.69% | None | 0.00% | None | 25.69% |

III. Fundraising situation

1. Capital and shares

(1) Source and type of capital

A. Source of capital

Unit: NT\$; Shares

| Year Month | Issue price | Approved capital | | Paid-in capital | | Remarks | | |
|------------------|----------------|---------------------|---------------|---------------------|-------------|--|---|------------------|
| | | Number of shares | Amount | Number of shares | Amount | Source of capital (note) | Payment for shares with assets other than cash | Others |
| June 2005 | 10 | 60,000,000 | 600,000,000 | 36,550,080 | 365,500,800 | Stock dividends 36,220,800 | None | Note 1 |
| June 2006 | 10 | 60,000,000 | 600,000,000 | 40,205,088 | 402,050,880 | Stock dividends 36,550,080 | None | Note 2 |
| June 2007 | 10 | 60,000,000 | 600,000,000 | 42,215,343 | 422,153,430 | Stock dividends 20,102,550 | None | Note 3 |
| June 2010 | 10 | 60,000,000 | 600,000,000 | 46,436,878 | 464,368,780 | Stock dividends 42,215,350 | None | Note 4 |
| November 2011 | 25 | 60,000,000 | 600,000,000 | 54,626,878 | 546,268,780 | Issuance of common stock for cash through private placement 81,900,000 | None | Note 5 Note 6 |
| August 2024 | 42 | 100,000,000 | 1,000,000,000 | 64,626,878 | 646,268,780 | Issuance of common stock for cash 100,000,000 | None | Note 7 |

Note 1: Approval document number: Chin Kuan Cheng Yi,I Tzu No. 0940124968

Note 2: Approval document number: Chin Kuan Cheng Yi,I Tzu No. 0950124500

Note 3: Approval document number: Jin Guan Zheng Liu Zi No. 0960036669

Note 4: Approval document number: Chin Kuan Cheng Fa Tzu No. 0990033178

Note 5: Approval document number: Ching Shou Shang Tzu No. 10001260870

Note 6: Approval document number for the re-issuance of the public offering of privately placed stocks: Chin Kuan Cheng Fa Tzu No. 1080335852

Note 7: Approval document numbers: Chin Kuan Cheng Fa Tzu No. 1130340360 and Ching Shou Shang Tzu No. 11330141370

B. Types of shares

| Type of shares | Approved capital | | | Remarks |
|-------------------|--------------------|-------------------|--------------------|--------------------------|
| | Outstanding shares | Unissued shares | Total | |
| Common shares | 64,626,878 shares | 35,373,122 shares | 100,000,000 shares | TPEX listed shares |

C. Information on the shelf registration system: not applicable

(2) List of major shareholders

March 30, 2025

| Shares | Number of shares held | Shareholding percentage (%) |
|--|-----------------------|-----------------------------|
| Name of major shareholders | | |
| Descente Ltd. (Japan) | 8,325,000 | 12.88% |
| JACKSIYA INVESTMENT CO., LTD. | 6,151,206 | 9.52% |
| Mitsui & Co., Ltd. (Japan) | 3,398,714 | 5.26% |
| LI CHIUN LIANG | 3,073,398 | 4.76% |
| LI DERING | 2,919,567 | 4.52% |
| Mao Chang Xing Ji Investment Co., Ltd. | 2,496,479 | 3.86% |
| LI JIAN RUEY | 2,450,712 | 3.79% |
| Mega International Commercial Bank custodial investment account for Hong Kong Descente Trading Co., Ltd. | 1,365,000 | 2.11% |
| CHANG SUNG KUANG | 1,211,000 | 1.87% |
| Mitsui & Co., Ltd. (Taiwan) | 1,128,204 | 1.75% |

(3) Company dividend policy and implementation status

1. Dividend policy defined in the Company's Articles of Incorporation

If the Company's annual financial statement shows a surplus, after fulfilling tax obligations and offsetting losses from previous years, 10% should be allocated as legal surplus reserve. In addition, special surplus reserves may be allocated or reversed according to laws or regulations set by the competent authorities. If there is any remaining balance, it will be added to the undistributed retained earnings from previous years, and the board of directors will prepare a proposal for the distribution of earnings, which will be submitted to the shareholders' meeting for approval.

The Company's dividend policy is aligned with current and future development plans, considering the investment environment, future funding needs, long-term financial planning, and balancing the interests of shareholders. Each year, no less than 50% of the distributable earnings for the year will be allocated as dividends to shareholders. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, no dividend distribution will be made. Among the dividends, the cash dividend will not be less than 20% of the total dividends. If the cash dividend per share is less than one dollar, the entire dividend may be distributed in the form of stock dividends.

Since its listing in 2004, the Company has distributed cash dividends to shareholders every year. Committed to maintaining a stable and sustainable dividend policy, the Company takes into account its operating environment and stage of development, anticipates future capital requirements, and plans its long-term financial strategy accordingly. To address shareholders' expectations for steady cash inflows, the Board of Directors has formulated and proposed an appropriate dividend distribution plan.

2. The Company's earnings distribution proposal for the year 2024 was resolved by the Board of Directors as follows:

| Munsin Garment Co., Ltd. 2024 Statement of Appropriations of Earnings | | Unit: NT\$ |
|---|---------------|---------------|
| Item | Amount | |
| Beginning retained earnings | | 30,359,943 |
| Add: Changes in the remeasurement of defined benefit plans for the current period | 761,165 | |
| Add: Net income after tax for the current period | 248,074,240 | |
| Amount of current net income after tax, plus items beyond net income that are included in the current year's undistributed earnings | | 248,835,405 |
| Less: Appropriation of 10% of legal reserve | | (24,883,541) |
| Add: Reversed special reserve for earnings | | 3,875,690 |
| 2024 distributable earnings | | 227,827,554 |
| Accumulated earnings available for distribution | | 258,187,497 |
| Distribution items | | |
| Dividends to shareholder | | |
| Proposed cash distribution of \$3,600 per 1,000 shares. | (232,656,761) | |
| Total amount to be distributed | | (232,656,761) |
| Ending unappropriated earnings | | 25,530,736 |

Chairperson: LI CHIUN LIANG Manager: GOTO KENJI Controller: LI HSIANG FANG

- (4) Impact of the proposed stock dividend distribution on the Company's operating performance and earnings per share

The current shareholders' meeting has not proposed any stock dividend distribution; therefore, this is not applicable.

(5) Remuneration for employees, directors, and supervisors

A. The ratio or range of remuneration for employees and directors as stipulated in the Articles of Incorporation

According to the Company's Articles of Incorporation, if the Company records a profit for the fiscal year, 2% to 4% of the profit shall be allocated as employee remuneration, and no more than 2% shall be allocated as directors' remuneration. However, if the Company has accumulated deficits, the amount required to cover the losses shall first be reserved. The employee remuneration shall be distributed in the form of stock or cash, as resolved by the Board of Directors. Eligible recipients may include employees of the Company's parent company or subsidiaries that meet certain criteria.

B. Basis for the estimation of employee and director remuneration for the current period, calculation basis for stock-based employee remuneration, and accounting treatment in case of any variance between the estimated and actual distributed amounts:

The basis for estimating the amounts of remuneration for employees and directors is determined in accordance with the percentage range stipulated in the Company's Articles of Incorporation. The estimation also considers past experience to arrive at the most appropriate amounts expected to be distributed, which are then recognized as expenses. If the actual amounts subsequently approved by the Board of Directors differ materially from the originally estimated amounts, the difference shall be adjusted against the remuneration expenses recognized in the fiscal year in which the estimates were made. Should any difference remain following the resolution adopted at the shareholders' meeting in the subsequent year, such variance shall be treated as a change in accounting estimate and recognized in the profit or loss of that year.

C. Board of Directors' approval of remuneration distribution

(A) Amount of employee and director remuneration distributed in cash or shares

The Board of Directors of the Company approved the distribution of employee remuneration amounting to NT\$9,798 thousand and director remuneration

amounting to NT\$6,532 thousand in cash for 2024 at its meeting on March 12, 2025. This distribution is scheduled to be reported at the 2025 general shareholders' meeting on May 28, 2025. The amounts are consistent with the estimated remuneration recognized, and there are no discrepancies.

(B) Amount of employee remuneration distributed in shares and the proportion of post-tax profit and total employee remuneration in the current parent company only or person financial statements

The Company has not proposed any stock-based employee remuneration for this fiscal year, thus this is not applicable.

D. Actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (including the number of shares distributed, amount, and share price), and if there is any discrepancy between the recognized remuneration and the actual distribution, the difference, reasons, and handling of the discrepancy should be stated:

The Company's Board of Directors resolved on March 8, 2024, to distribute employee remuneration of NT\$9,943 thousand and director remuneration of NT\$6,629 thousand for the year 2023. Both employee and director remuneration were paid in cash, and there was no difference from the estimated amounts.

(6) Repurchase of the Company's shares: The Company did not repurchase any of its own shares during the most recent fiscal year or the current fiscal year up to the date of publication of this report, and there are no treasury shares recorded on its books.

2. Status of Company bond issuance

None

3. Status of preferred stock issuance

None

4. Status of overseas depositary receipt issuance

None

5. Status of employee stock warrants

None

6. Status of new shares with restrictions on employee rights

None

7. Status of mergers, acquisitions, or share transfer and issuance of new shares

None

8. Status of fund utilization plan execution

The content and implementation of the plan for cash capital increase and issuance of new shares for 2024 are as follows:

(1) Plan details

A. Total amount of funds required for this plan: NT\$420,000 thousand.

B. Source of funds for the plan: Cash capital increase through the issuance of 10,000 thousand common shares, with a par value of NT\$10 per share and an issue price of NT\$42 per share, raising a total of NT\$420,000 thousand.

C. Planned projects and expected fund utilization progress:

Unit: NT\$ thousand

| Plan items | Expected completion date | Total required funds | Expected fund utilization progress | | | | | | | |
|----------------------------------|--------------------------|----------------------|------------------------------------|----|---------|--------|--------|--------|--------|-------|
| | | | 2024 | | | | 2025 | | | |
| | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Construction of logistics center | 2025 Q4 | 172,289 | 25,500 (note) | - | - | 59,500 | 26,760 | 25,500 | 26,529 | 8,500 |
| Enrichment of operating capital | 2024 Q3 | 247,711 | - | - | 247,711 | - | - | - | - | - |
| Total | | 420,000 | 25,500 | - | 247,711 | 59,500 | 26,760 | 25,500 | 26,529 | 8,500 |

Note: The signing payment of \$25,500 thousand was paid before January 22, 2024 for the construction of the logistics center plan from the Company's own funds.

D. Expected potential benefits

(A) Construction of the logistics center: Upon completion, the logistics center will provide additional warehouse space required for the Company's operational growth and save on warehouse rental expenses.

(B) Enrichment of operating capital: The amount of \$247,711 thousand used to enhance operating capital will reduce the need for borrowing from financial institutions, saving on interest expenses and positively contributing to strengthening the Company's financial structure.

(2) Execution status

Unit: NT\$ thousand

| Planned project | Execution status | | Execution situation as of quarter 1 of 2025 |
|----------------------------------|-------------------------|----------|---|
| Construction of logistics center | Expenditure amount | Planned: | 111,760 |
| | | Actual: | 51,000 |
| | Execution progress (%): | Planned: | 64.87 |
| | | Actual: | 29.60 |
| Enrichment of operating capital | Expenditure amount | Planned: | 247,711 |
| | | Actual: | 247,711 |
| | Execution progress (%): | Planned: | 100.00 |
| | | Actual: | 100.00 |

- A. Construction of the logistics center: The actual progress of the fund usage has slightly lagged behind the planned progress, primarily due to the verification and rectification processes required by the regulatory authorities, which caused a slight delay in obtaining the building permit. However, the Company obtained the building permit on November 4, 2024, and commenced the construction of the logistics center on December 16, 2024. Future execution will continue as per the planned project.
- B. Enrichment of operating capital: The Company's plan to use the raised funds to enrich operating capital was completed in the third quarter of 2024, and it has achieved the intended effect of strengthening the financial structure.

IV. Operating overview

1. Business content

(1) Scope of business

A. The main content of the business operations

The Company primarily engages in the sales of foreign-brand clothing and accessories as an agent. Currently, the products are mainly sold domestically. The sales channels include setting up counters in large department stores, shopping malls, online e-commerce platforms, directly operated stores, franchise stores, and retail outlets. The brands represented by the Company include Munsingwear, le coq sportif, HAZZYS, ココディール, POU DOU DOU, DANSKIN, PEARLY GATES, and per se.

B. Business proportion

| Products | Amount (\$1,000) | Percentage (%) |
|-------------|------------------|----------------|
| Apparel | 1,743,333 | 91% |
| Accessories | 176,833 | 9% |

C. Current products (services)

| Brand name | Description |
|------------------------|--|
| Munsingwear | Golf apparel, casual wear (men's and women's) |
| le coq sportif GOLF | Young golf apparel (men's and women's) |
| le coq sportif | Sports casual wear (men's and women's) |
| Felix Buhler | European-style casual wear (men's and women's) |
| HAZZYS | Korean-style casual wear (men's and women's) |
| NARA CAMICIE | European-style office wear for women, shirts |
| ココディール | Japanese-style trendy women's wear |
| POU DOU DOU | Japanese-style trendy women's wear |
| DANSKIN | American yoga apparel |
| bossini.X | Young trendy brand apparel |
| and per se | Young golf apparel (men's and women's) |
| PEARLY GATES | Young golf apparel (men's and women's) |
| SCOTTISH HOUSE | British-style young lady apparel |

D. Newly planned products (services)

As market competition continues to intensify, in order to maintain the Company's position as a leading apparel distributor in Taiwan and enhance service quality, the Company plans to not only continue operating existing brands but also further introduce internationally renowned brands to strengthen its product offerings and better meet consumer demand.

(2) Industry overview

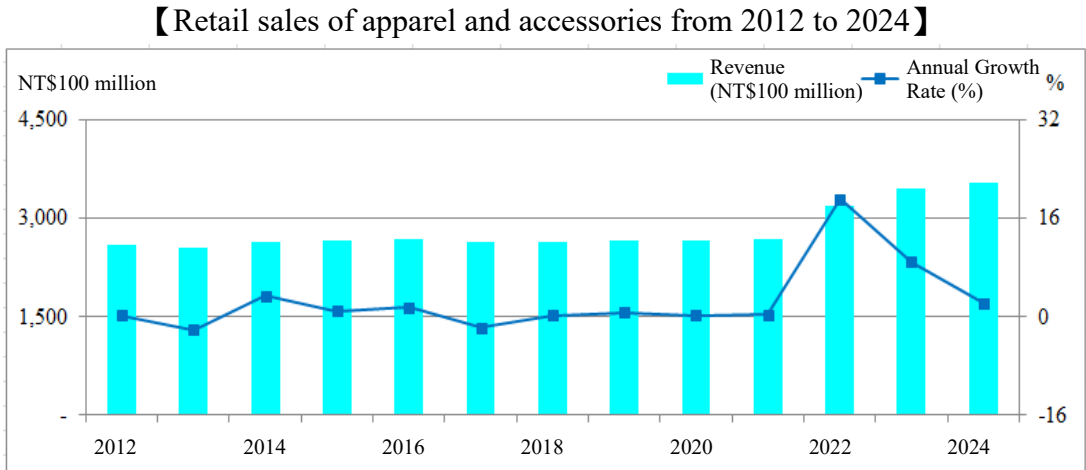
A. Current status and development of the industry

The Company is primarily engaged in the distribution and sales of domestic and international branded apparel and accessories. Its brand image in the market is positioned in the mid-to-high price segment. The business model mainly involves setting up dedicated counters in department stores and assigning on-site service personnel to provide consumers with direct fitting experiences and to convey the brand's identity. Sales channels include branded counters in major department stores, shopping malls, online e-commerce platforms, directly operated stores, franchised stores, and retail outlets. Through these channels, the Company offers its products directly to consumers. Among them, department stores and shopping malls account for approximately 80% of the company's total revenue. Therefore, the following is an overview of the apparel industry in which the Company operates, as well as the main sales channel — the department store retail sector — and a description of the related business risks.

(A) Fashion apparel industry

According to data from the Department of Statistics, Ministry of Economic Affairs, the total sales of the fabric and apparel retail sector in Taiwan reached NT\$352.9 billion in 2024, representing an annual growth rate of 2.16%. This marks a significant slowdown compared to the 8.86% growth rate recorded in the same period last year. Observing Taiwan's overall economic conditions, the growth momentum in 2024 is estimated to be stronger than in 2023. A stable domestic job market contributes to an increase in average disposable income, supporting steady growth in Taiwan's domestic apparel market. However, from the perspective of pricing, Taiwan's Consumer Price Index has increased compared to 2023, and the

public continues to feel the burden of inflation. This has led some consumers to reduce the frequency of purchasing non-essential goods. In addition, more people are opting to shop during discount periods or switching to more affordable clothing brands, thereby weakening the growth momentum of Taiwan’s apparel market in 2024.



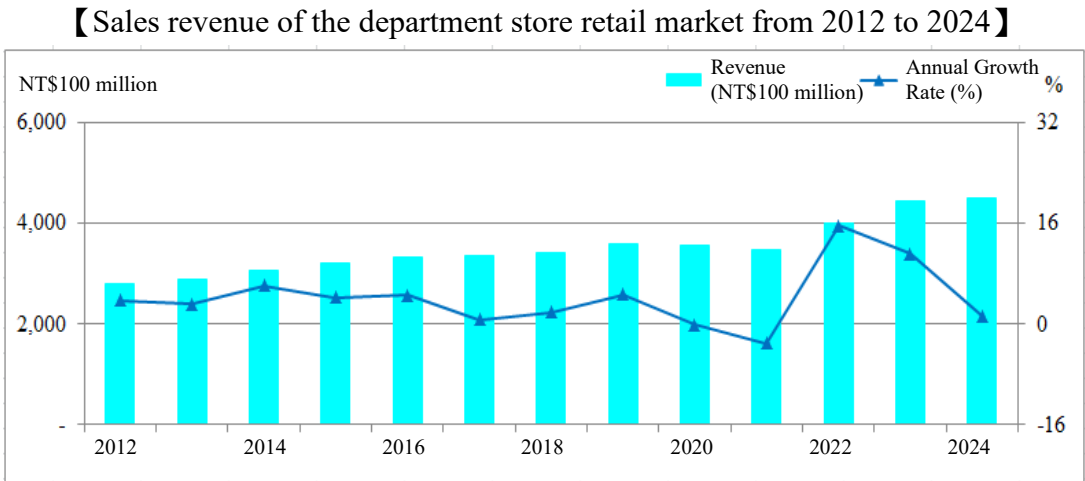
Source: Department of Statistics, Ministry of Economic Affairs–Statistical Data Analysis System

The retail operating environment is closely related to consumer purchasing willingness. According to a press release issued by the Directorate General of Budget, Accounting and Statistics, Executive Yuan on November 29, 2024, Taiwan’s economic growth rate for 2025 is projected to be 3.29%, lower than the 4.27% forecast for 2024. From the perspective of the wealth effect, this suggests that the expansion pace of the domestic demand market is likely to slow down. As a result, the outlook for the fabric and apparel retail industry in 2025 is expected to remain flat.

(B) Department store retail market

According to statistics from the Ministry of Economic Affairs, Taiwan's department store industry recorded sales revenue of NT\$447.8 billion in 2024, representing a year-over-year growth of 1.16%. The post-pandemic economic recovery and rising stock market had initially boosted consumer purchasing power through the wealth effect. However, a surge in outbound tourism led many consumers to shift their purchases—of luxury goods, apparel, cosmetics, and jewelry—to overseas markets. This diverted demand negatively impacted in-store

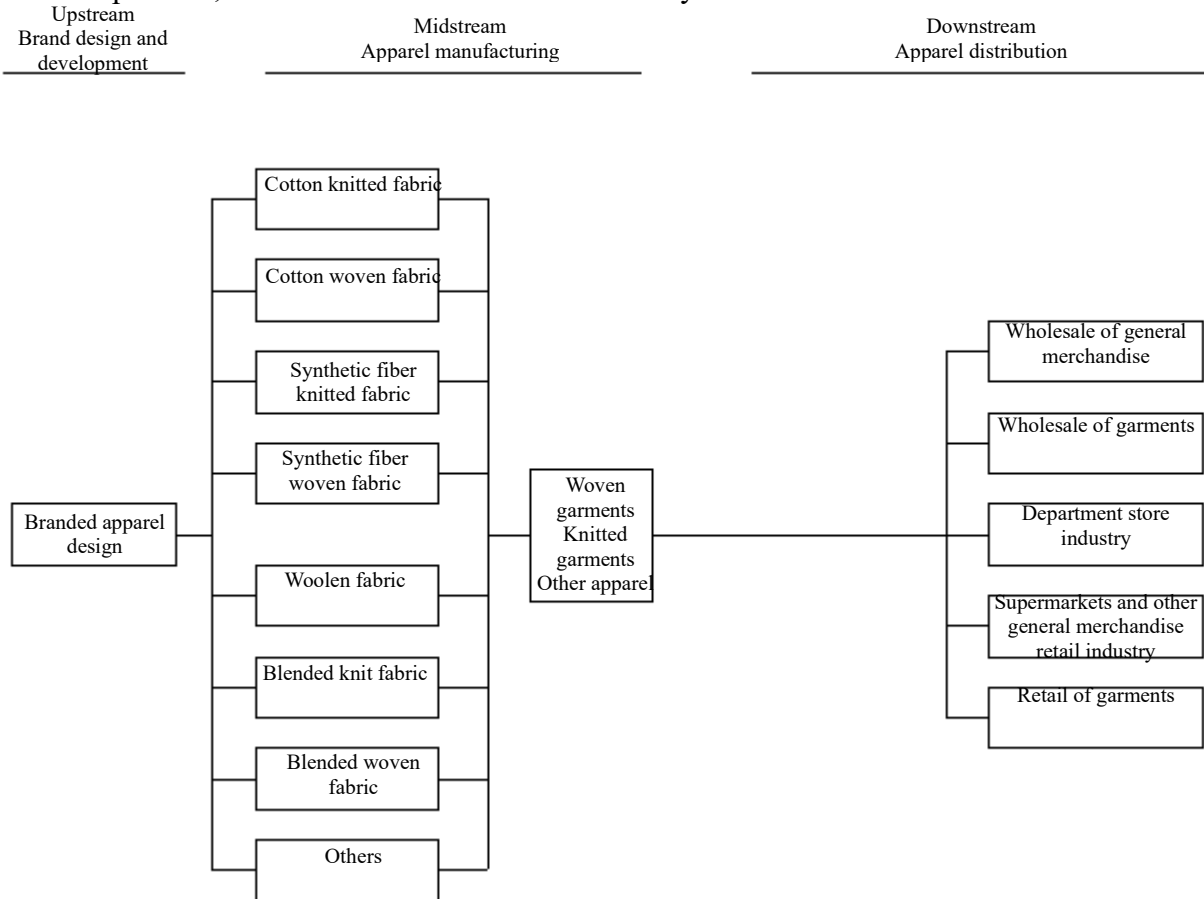
performance of these product categories. Additionally, multiple department stores underwent floor renovations, during which operations could not contribute to revenue. These factors resulted in only marginal growth of 1.16% in 2024, a stark contrast to the double-digit growth rates observed in both 2022 and 2023.



Source: Department of Statistics, Ministry of Economic Affairs–Statistical Data Analysis System

Benefiting from steady economic growth in Taiwan and the increasing business opportunities brought by innovative technologies, the domestic job market remains robust, supporting continuous wage growth and contributing to higher household disposable income. These factors help boost consumer confidence and purchasing power. Given the favorable outlook for the future retail market environment, department store operators are expected to actively enhance the quality of products and services to meet customers’ diverse consumption needs. By integrating entertainment content to create a better shopping experience, they aim to increase foot traffic and purchase frequency, thereby driving overall business growth.

B. Upstream, midstream and downstream industry relations



C. Product development trends and competitive landscape

The current consumer market has shifted from a manufacturer-driven to a consumer-driven era, ushering in a time of refined and fashionable consumption. As the Company primarily deals with branded clothing and accessories, with middle to high-income persons as our target customers, we are focused on catering to this demographic. Since this group has the characteristic of higher income, high-quality, fashionable, and well-known brands are the key focus for our customers. The following explains the development trends of our high-end fashion products:

(A) Increased use of high-tech materials

With the advancement of nanotechnology and other foundational industries, many new inventions are gradually being used in fashion products, such as chitin and titanium metal, which have been incorporated into clothing. It is expected that the high-end fashion market will continue to follow this trend in the future.

(B) Brand value enhancement

Fashion products, in addition to their functional role in clothing, also serve to

enhance personal appearance and symbolize an person's social status. Generally, the brand of a fashion item serves as a guarantee of its quality. Therefore, consumers often consider the brand's history, style, and positioning as important factors when purchasing clothing.

(C) Improved service quality

We now live in a society that values refined consumption, where not only the quality of products is demanded, but also the level of knowledge service personnel have about the products, after-sales service, and good interaction with customers. These are all part of our company's service spirit of putting the customer first.

(D) Industry competition

Apparel products are essential items in people's daily lives. Apart from competition within the industry, there is no risk of being replaced. The Company clearly understands the customer segmentation, and when developing products, we conduct thorough evaluations based on factors such as target customers, sales channels, and market acceptance. We also strengthen the unique characteristics and styles of each brand, actively introduce new brands, and diversify the risk of relying on a single brand. The international golf brand apparel Munsingwear and the sports leisure apparel brand le coq sportif, which our company represents, are mid-to-high-priced brands with clear positioning, and we are the exclusive agent in Taiwan, giving us a competitive advantage. Therefore, the competition risk with industry peers has been effectively mitigated.

(3) Technology and R&D overview

A. Research and development expenses invested

The Company engages in the sales of branded apparel in department stores and other shopping malls, therefore, there is no related research and development expenditure.

B. Successful development of technologies or products

A description of the agency brands and private labels that the Company has successfully licensed for the most recent year and up to the date of publication of the annual report is set out below:

| Year | Brand | Description |
|------|----------------|---|
| 2024 | PEARLY GATES | The fashion-forward golf apparel brand PEARLY GATES from Japan embodies noble spirit and taste, offering high-end, pure, and impeccable fashion charm. |
| 2024 | SCOTTISH HOUSE | Established in 2001, SCOTTISH HOUSE embodies the brand spirit through its signature red-and-black tartan patterns and Scottish Terrier motif, infused with elegance, simplicity, and a refined, socialite-inspired style. |

(4) Short-term and long-term business development plans

A. Short-term business development plans

(A) Marketing strategy

- a. Integrate various sales resources and actively develop international well-known brand agencies.
- b. Expand the scale of operations and increase the market share in the domestic high-end fashion market.
- c. Strengthen the evaluation of niche markets to accurately position product lines, improving brand management performance.
- d. Enhance the quality of service staff to increase customer satisfaction and strengthen consumer loyalty.
- e. Develop a centralized customer management system to effectively capture key customer data and perform cross-analysis, aiding in the development of new customer bases for various brands.
- f. Increase brand and product visibility through public relations activities and exposure across various media and social media platforms.

(B). Product development

- a. Maintain high-quality product design and increase the proportion of products designed in-house.
- b. Analyze sales data to identify popular and high-potential products, enhancing product strength.

(C). Financial planning

- a. Strengthen financial planning and control capabilities.

- b. Utilize a stable operational approach and flexible use of financial tools to reduce operational risks and enhance competitiveness.
- c. Raise operational funds through the capital markets to support future development.

(D). Management

- a. Implement internal control systems and audits to enhance internal management efficiency and reduce errors.
- b. Build a sales point management system to improve product management performance.
- c. Develop training programs to cultivate reserve management personnel to meet future expansion needs.

B. Long-term business development plans

(A) Align with the opening of domestic department stores to build a sales network

As the Company currently relies on domestic department stores as the main sales channel, it plans to align with the opening of new department stores in the future, carefully evaluating suitable locations and brands to set up new sales counters, thereby building its sales network.

(B) Increase company visibility, strengthen operational performance, and expand relevant networks to enhance the success rate of obtaining brand agency rights

Due to the intense competition in the brand agency market, factors such as an agency company's reputation, financial condition, business performance, and business relationships based on its operational scale are all key considerations for brand licensors. Strengthening the trust of existing brand licensors in the company and attracting the attention of new brand licensors will help increase the success rate of acquiring brand agency rights.

(C) Acting as an agent for multiple high-end fashion brands to reduce the operational impact of reliance on a single brand

The Company will continue to analyze the current high-end fashion market and introduce new brands through precise brand positioning, while maintaining market differentiation among existing brands. This strategy aims to reduce reliance

on any single brand and thereby lower operational risks.

2. Market and Production/Sales Overview

(1) Market analysis

A. Regions where the company's main products (or services) are sold (or provided)

| Brand name | Sales region |
|------------------------|---|
| Munsingwear | Major department stores across Taiwan, as well as reputable distributors and franchise stores in various counties and cities. |
| le coq sportif GOLF | Major department stores across Taiwan, as well as reputable distributors and franchise stores in various counties and cities. |
| le coq sportif | Major department stores across Taiwan, as well as reputable distributors and franchise stores in various counties and cities. |
| Felix Buhler | Reputable distributors and group uniform suppliers in various counties and cities |
| HAZZYS | Major well-known department stores in Taiwan |
| NARA CAMICIE | Major well-known department stores in Taiwan |
| ココディール | Major well-known department stores in Taiwan |
| POU DOU DOU | Major well-known department stores in Taiwan |
| DANSKIN | Major well-known department stores in Taiwan |
| bossini.X | Major well-known department stores in Taiwan |
| and per se | Major well-known department stores in Taiwan |
| PEARLY GATES | Major well-known department stores in Taiwan |
| SCOTTISH HOUSE | Major well-known department stores in Taiwan |

B. Market share and future supply and demand conditions and growth

(A) Market share

The Company mainly engages in the sales of foreign brand apparel and accessories. In terms of overall market share, the products distributed and represented by the Company are relatively unique, including golf equipment and sportswear. In recent years, the Company has expanded into fashion apparel. However, due to the broad scope of the apparel product business, different distributors represent different products with varied target customers. There are numerous businesses with no brand, low brand recognition, or high brand recognition, making it difficult to obtain accurate statistical data. Furthermore, due to the relatively small size of Taiwan's apparel market, there are no specialized organizations or government entities that track the market share of person

companies. In 2024, our Company's total sales amount at department stores and shopping centers in Taiwan was approximately NT\$1,544,965 thousand, accounting for 0.34% of the total sales at department stores and shopping centers. Since the sales channels in department stores and shopping centers are diversified, the statistical amount includes not only men's and women's clothing, which are the same as the Company's business scope, but also various other products, such as men's and women's goods, supermarket dining, home appliances, home furnishings, and cultural and educational items. Therefore, the actual market share of the Company is likely higher than the stated figure.

The changes in the sales volume of department stores in Taiwan and their proportion of the total retail sales in the general merchandise sector trend

| Unit: %, NT\$ 100 million | | | | | |
|--|---------|---------|---------|---------|---------|
| Item | 2020 | 2021 | 2022 | 2023 | 2024 |
| The proportion of sales revenue in the overall retail sales of general merchandise | 28.08 | 27.19 | 28.99 | 29.98 | 29.04 |
| Sales revenue | 3561.83 | 3451.43 | 3987.62 | 4427.03 | 4478.35 |
| Annual growth rate | -0.17 | -3.10 | 15.54 | 11.02 | 1.16 |

Source: Department of Statistics, Ministry of Economic Affairs

(B) Potential future supply and demand conditions and growth of the market

The Company's main products are the sales of foreign branded clothing and accessories, primarily focused on the domestic market. The market demand is easily influenced by fashion trends and seasonal factors. When new collections are launched or during season transitions, consumer purchasing demand tends to increase. Additionally, the number of counters set up in department stores and their business performance are also related. Therefore, the market's growth is susceptible to changes driven by domestic demand and economic conditions.

According to data analysis from the Ministry of Economic Affairs, in 2024, the revenue of Taiwan's department store industry increased by 1.16%. This marks a significant slowdown compared to the double-digit growth seen in 2022 and 2023. The main reasons for this are the cooling down of post-pandemic revenge spending and the surge in overseas travel, which led to the outflow of middle-to-high-end consumer spending. In the face of challenging market conditions, businesses are

focusing on venue transformation, brand development, and unique service experiences. This is in response to the growing demand for leisure and entertainment consumption among the public in recent years. Leisure and entertainment experiences will be a key area of investment for department stores in the future. In addition to continuing to strengthen existing business types such as dining, cinemas, and bookstores, upcoming additions will include interactive experiences, parent-child play areas, esports multimedia zones, and anime-themed attractions. The more diverse the experience offerings, the longer the public will stay, which is beneficial for boosting surrounding product consumption.

Regarding the outlook for Taiwan's department store industry in 2025, while the impact of the outbound tourism trend is expected to persist, it is anticipated that the effect of this consumption outflow will gradually diminish. This is primarily because 2025 will witness a peak in the opening of new department store locations, including Far Eastern Garden City Department Store, Tainan Mitsui Outlet Phase 2, Nangang Mitsui LaLaport, and Hanshin International Shopping Center, with many operators planning to open for business in 2025. Benefiting from the opening of new shopping malls, each operator is introducing distinctive business types and formats, creating an expected increase in foot traffic and business opportunities. Therefore, it is anticipated that the economic performance of this industry in 2025 will show moderate growth compared to 2024, which will positively impact the Company's revenue performance.

C. Competitive niche

The Company's competitive niches are as follows:

(A) Clear product market positioning

When positioning its products in the market, the company considers the consumer's perspective, offering what the consumers need while also taking into account whether the operational risks associated with the products can be effectively controlled. The Company targets consumers in the upper-middle class of the pyramid, offering products that align with the market positioning. Rather than engaging in blind price competition, it aims to succeed with superior products

and services.

(B) Mastery and sensitivity to fashion trends in the apparel market

In recent years, Taiwan's apparel market has gradually equated fashion trends with Korean-style clothing, and its market share has steadily increased, showing a trend of being on par with Japanese-style clothing. The Company has also felt the influence of this Korean wave. In addition to continuously developing new Japanese-style products, it also imports suitable Korean fashion apparel to expand its market share in Taiwan. Through cooperation with Japanese and Korean companies and a professional market analysis team, the Company can obtain timely fashion trend information, enhancing its mastery over the apparel market's trends.

(C) Product differentiation

Due to the high homogeneity of domestic apparel products, in order to widen the gap with other competitors, the Company regularly sources new products overseas. In addition to offering unique consumer services, the Company actively works on establishing product differentiation to attract consumers and turn them into loyal customers, thereby strengthening its competitive advantage.

(D) Stable cooperation with brand companies

As brand companies aim to simplify control operations, they often grant brand authorization on a regional basis. Taiwan is primarily considered part of the Asian region, with Japanese companies predominantly acquiring brands in this area. Therefore, the Company follows this model and obtains brand agency rights from Japanese companies. Since Japanese companies place a high value on integrity and long-term business relationships, the Company has established a foundation of mutual trust through its long-term cooperation with Japanese companies. This has increased the Company's opportunity to secure priority renewal rights for brand agreements.

(E) Long-term mutually beneficial business relationship with department stores

The Company's products are of high quality, high price, and well-known brands, aligning with the market positioning of department stores. As a result, the Company has established a long-term mutually beneficial business relationship

with department store operators. This relationship helps the Company present its products to the targeted customer base promptly and enhances related sales performance.

D. Favorable and unfavorable factors for the company's future development and response strategies:

(A) Favorable factors

a. Long-term trust relationship with international brands

The company has been distributing Munsingwear products for over 40 years. Since Japanese brands value trust in partnerships, the Company has developed close cooperation with some of Japan's largest trading companies. This long-term collaboration has increased the Company's chances of securing international brand licensing opportunities.

b. Products meet taiwan market demand

The Company's products are in line with the characteristics of the Taiwanese market. Taiwan has been deeply influenced by Japanese culture, and apart from the older generation, Japanese fashion styles continue to influence Taiwan's fashion trends. Furthermore, Japanese department stores (such as Shin Kong Mitsukoshi, Far Eastern Department Store, SOGO, and Dayeh Takashimaya) have similar management styles and business cultures to those in Taiwan. The Company has established counters in these Japanese department stores to sell apparel and accessories, catering to Taiwanese consumer habits. In addition, the Japanese brands the Company represents are not only highly accepted by consumers but are also familiar to department store operators. This mutual understanding fosters a good working relationship between the Company and these stores. Moreover, with the rise of the Korean wave in recent years, the Company has actively collaborated with Korean companies, successfully introducing Korean brands that have also been well-received by both department store operators and consumers.

(B) Unfavorable factors and response strategies

a. Exchange rate risk of imported products

The Company primarily engages in the sale of foreign brand apparel and accessories, with most products being imported, which exposes it to higher exchange rate risks. Since the Company primarily operates in Taiwan as its main market, and the majority of products are imported, the cash flow involves payments in foreign currencies while revenue is received in New Taiwan dollars. As a result, exchange rate fluctuations will affect the pricing of our products and influence related profits.

Countermeasure:

Exchange rate fluctuations are an unavoidable risk for the Company. However, since the Company adopts a planned procurement approach, a fiscal year is divided into two seasons: Spring/Summer (March-August) and Fall/Winter (September-February). Before each season, when setting the prices for new clothing items, we already factor in potential exchange rate changes. Nevertheless, due to the difference in timing between when foreign currency payments are made and when goods are accounted for, significant exchange rate gains or losses may arise. Overall, the exchange rate risk has been appropriately reflected in the product prices; therefore it is not expected to have a major impact on the Company's operations.

b. Rapid changes in the apparel market and quick price decline

The Company is engaged in the sales of foreign-branded apparel and accessories. Due to the trend-driven nature of clothing products and the fast-paced changes in the market, once a trend fades, the product prices will quickly decline due to clearance sales by competitors.

Countermeasure:

Due to the rapid changes in the apparel market, products experience quick price declines. When introducing a brand, the Company pays close attention to the relationship between the brand and current trends. As a result, our existing product offerings primarily consist of sports casual wear and office wear for women, which are less influenced by market trend fluctuations and less prone to rapid price declines. In the case of women's fashion apparel, our company

focuses on analyzing product sell-through rates and strengthens procurement accuracy to mitigate the impact of this risk.

- c. Product specifications must be fully stocked, leading to higher inventory levels and potential accumulation of capital costs

Due to variations in consumer preferences, height, and body types, the Company must maintain a full range of product specifications to meet customer demands. However, this unique characteristic of the industry leads to higher inventory levels, which can result in the accumulation of capital costs.

Countermeasure:

Through inventory turnover rate, product sell-through rate, and other inventory management indicators, and by implementing a comprehensive inventory control system, the Company ensures accurate tracking of inventory records. Over the years, the Company has developed a consistent method for clearing inventory, supported by a reasonable discount policy to effectively control inventory levels.

- d. M-shaped society affects consumer behavior

Due to the M-shaped society, the middle class, which represents wealth and stability, is rapidly disappearing, with most of it shifting towards the lower-middle class. This has led to the rise of affordable fashion consumption. International affordable fashion brands like UNIQLO and ZARA have heavily entered Taiwan, intensifying competition in various commercial districts.

Countermeasure:

The Company, through clear market positioning and precise grasp of fashion trends, creates product differentiation to establish a core customer base. It adopts a segmented marketing strategy, targeting different customer types with each brand. By introducing high-quality products with strong design sense and refined craftsmanship, the Company enhances the distinction from low-priced goods. In collaboration with suppliers, it also offers more competitive pricing to attract consumers and mitigate the impact of this risk.

- e. Changes in consumer behavior in the post-pandemic era: Although foot traffic

has returned to physical stores, online shopping has not declined

Due to the impact of the COVID-19 pandemic and related control measures, consumers reduced their willingness to visit crowded department stores. In 2022, as COVID-19 evolved into influenza, foot traffic returned to physical stores; however, online shopping remained strong. This is mainly because the public has become familiar with the online shopping model, and businesses have continued to boost e-commerce through promotional incentives, maintaining strong momentum in Taiwan's online retail sector.

Countermeasure:

The Company has expanded its e-commerce sales by establishing an online shopping platform on its official website and conducting online sales through platforms such as MOMO, Yahoo, Shopee, and a mobile app developed in collaboration with 91App. In addition, the Company effectively utilizes social media—such as Facebook, Instagram, the official website, and LINE Official Account—as marketing tools to diversify sales channels and respond to changing consumer habits.

(2) Major uses and production process of main products

The Company primarily engages in the sales of apparel and accessories through brand agency. Its main products consist of various domestic and international branded clothing and accessories that are directly used by consumers. In addition to providing general clothing functions, the Company introduces products of different specifications tailored to specific target customer segments. For customers who enjoy outdoor sports, the Company offers golf apparel that balances comfort and style. For female consumers, the Company introduces fashion-forward and quality-focused women's apparel and accessories. The clothing items represented by the Company are not only functional but also reflect the wearer's social status. The Company sources its products mainly by importing apparel and accessories from international brands and does not operate any factories for garment manufacturing or processing.

(3) Supply status of major raw materials

| Product name | Major suppliers | Supply status |
|-------------------------|---|---------------|
| Apparel and accessories | DESCENTE JAPAN, Dragon Gate, Teijin, FunCaster, Abundance Diligent, MagicTex, LF, Dirui, Chingtai and COO H.K | Good |

The company's main products are apparel and accessories, primarily imported from the original brand manufacturers. Our main sourcing partners are well-known international apparel brand manufacturers from Japan, Europe, Australia, and other regions. We have maintained long-term and positive cooperative relationships with these suppliers for many years.

- (4) The names of customers that accounted for 10% or more of total purchases or sales in any in the last two years, the amount and percentage of purchases or sales, and the reasons for any changes.

Major suppliers in the last two years

Unit: NT\$ thousand

| Item | 2023 | | | | 2024 | | | |
|------|---------------------|---------|--|------------------------------|---------------------|-----------|--|------------------------------|
| | Name | Amount | Percentage of total net purchases for the year (%) | Relationship with the issuer | Name | Amount | Percentage of total net purchases for the year (%) | Relationship with the issuer |
| 1 | DESCENTE JAPAN LTD. | 288,032 | 32.18 | Note | DESCENTE JAPAN LTD. | 338,977 | 32.17 | Note |
| 2 | Others | 607,147 | 67.82 | | Others | 714,663 | 67.83 | |
| | Net purchases | 895,179 | 100.00 | | Net purchases | 1,053,640 | 100.00 | |

Note: Refers to subsidiaries directly or indirectly owned by the Company's board members.

Major sales customers information for the last two years

Unit: NT\$ thousand

| | 2023 | | | | 2024 | | | |
|------|--|-----------|--|------------------------------|--|-----------|--|------------------------------|
| Item | Name | Amount | Percentage of total net sales for the year (%) | Relationship with the issuer | Name | Amount | Percentage of total net sales for the year (%) | Relationship with the issuer |
| 1 | Far Eastern Department Stores | 269,644 | 14.67 | None | Far Eastern Department Stores | 284,638 | 14.82 | None |
| 2 | Shin Kong Mitsukoshi Department Stores | 222,394 | 12.10 | None | Shin Kong Mitsukoshi Department Stores | 224,903 | 11.71 | None |
| 3 | Pacific SOGO Department Stores | 206,138 | 11.21 | None | Pacific SOGO Department Stores | 219,770 | 11.45 | None |
| 4 | MITSUI OUTLET PARK (note) | 200,556 | 10.91 | None | MITSUI OUTLET PARK (note) | 216,139 | 11.26 | None |
| | Others | 939,525 | 51.11 | | Others | 974,716 | 50.76 | |
| | Net purchases | 1,838,257 | 100.00 | | Net sales | 1,920,166 | 100.00 | |

Note: MITSUI OUTLET PARK includes Linkou Mitsui, Taichung Mitsui, Tainan Mitsui, and Taichung LALAPORT.

1. Explanation of changes in major suppliers

DESCENTE JAPAN LTD. is the main supplier for the brands Munsingwear, le coq sportif GOLF, and le coq sportif, which are represented by the Company. The increase in procurement amount is mainly due to the expansion of le coq sportif's counter space and franchise store channels in 2024, leading to increased purchases.

2. Explanation of changes in major sales customers

The main sales targets of the Company are department stores. The changes in sales amount and their proportion are mainly related to the number of counters established in each department store and their business performance. 2024 was a challenging and difficult year for the department store industry. The trend of traveling abroad affected domestic consumption, and inflation caused consumers to be more conservative in their spending. However, in 2024, the Company introduced two new brands, and our

business strategy proved effective, resulting in slight growth in sales from Far Eastern Department Store, Shin Kong Mitsukoshi, Pacific SOGO, and MITSUI OUTLET PARK compared to the same period last year. The sales proportion remained relatively consistent with the previous year.

3. Number of employees, average length of service, average age and education distribution ratio for the last two years and as of the date of publication of the annual report

Employee data for the last two years and as of the date of publication of the annual report

Unit: persons

| Year | | 2023 | 2024 | For the the three months ended March 31, 2025 |
|--------------------------------|-------------------------|-------|------|---|
| Number of employees | Administration Division | 155 | 158 | 158 |
| | Business Division | 456 | 533 | 537 |
| | Total | 636 | 691 | 695 |
| Average age | | 44.72 | 45 | 45 |
| Average years of service | | 8.35 | 8.23 | 8.23 |
| Educational distribution ratio | PhD | 0% | 0% | 0% |
| | Master's degree | 0% | 0% | 0% |
| | College degree | 52% | 52% | 52% |
| | High school | 48% | 48% | 48% |
| | Below high school | 0% | 0% | 0% |

4. Environmental protection expenditure information

The Company's main business involves the agency and sale of foreign clothing brands, and as a non-manufacturing industry, environmental protection expenditure information is not applicable. Additionally, due to the nature of the Company's industry, it is not affected by the European Union's Restriction of Hazardous Substances Directive (RoHS).

5. Labor-management relations

(1) Employee welfare measures, continuing education, training, retirement system, and their implementation, as well as labor-management agreements and employee rights protection measures

A. The Company adheres to a humanized management system with excellent welfare

measures, and maintains good communication channels between employees and the Company. In recent years, there have been no major labor disputes. Welfare measures include: commission bonuses, performance bonuses, year-end bonuses, monthly birthday gifts, marriage and bereavement subsidies, medical and emergency assistance, product discounts, travel allowances for business trips, domestic and overseas employee travel, free self-service employee cafeteria, and daily shuttle services for commuting.

B. In terms of employee training, the Company plans and organizes training programs for employees annually. In addition to internal training courses—such as onboarding for new hires and professional skills development—it also encourages employees to participate in external training programs or seminars organized by relevant institutions. In accordance with government regulations, the Company holds annual fire safety and first aid training sessions and promotes occupational safety and legal compliance during mobilization meetings. Additionally, the Company encourages employees to pursue foreign language studies (e.g., English, Japanese, Korean) by providing tuition subsidies. Employees who pass certified language proficiency exams are granted bonuses as a form of incentive.

The summary of the implementation of training programs for the year 2024 is as follows:

| Item | Total number of classes | Total number of participants | Total training hours | Total cost (NT\$) |
|----------------------------|-------------------------|------------------------------|----------------------|-------------------|
| New employee orientation | 6 | 25 | 18 | 0 |
| General knowledge courses | 4 | 276 | 10 | 0 |
| Professional skill courses | 9 | 10 | 65 | 39,200 |
| External seminar courses | 6 | 13 | 18 | 0 |
| Total | 25 | 324 | 111 | 39,200 |

C. the Company's Employee Welfare Committee and Pension Supervision Committee both hold meetings regularly and operate normally, discussing and providing appropriate benefits for employees.

- (2) Losses incurred due to labor-management disputes in the most recent year and up to the publication date of the annual report, including cases of non-compliance with the Labor Standards Act as a result of labor inspections, in which the date of disposition, reference number of the penalty notice, violated legal provision, description of the violation, and the content of the imposed penalty must be clearly stated, as well as any estimated current or potential future amounts and responsive measures; if a reasonable estimate cannot be made, the reason should be stated.

In the most recent year and up to the publication date of the annual report, the Company has not incurred any losses or penalties due to labor-management disputes.

6. Information security management

- (1) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management.

A. Information security risk management framework

- (A) President's office: Responsible for setting the annual plan and assisting each department in formulating departmental plans, evaluating long-term business strategies to reduce strategic risks.
- (B) Audit office: Responsible for auditing and assessing the operations of various departments and assisting in the management and control of risk improvements. Based on the results of risk assessments, the Audit office is responsible for evaluating the appropriateness and effectiveness of corporate governance.
- (C) IT office: Responsible for establishing the information systems architecture. Based on risk levels, the office establishes high availability remote server backup and data backup mechanisms to ensure system continuity. Backup media are sent to offsite storage for safekeeping. The office strengthens simulations and emergency response drills in the server room to ensure normal operation of information systems and data security. These measures help reduce the risk of system interruptions caused by unforeseen natural disasters or human error. Based on risk levels, the office plans and designs appropriate hardware and software resources, and implements process improvements as necessary. It coordinates and implements information security

policies, promotes information security awareness, improves employee cybersecurity consciousness, and collects and enhances the performance and effectiveness of the organization's information security management system, including technologies, products, or procedures.

B. Information security policies

To implement information security management, the Company has established an internal control system—Electronic Computing Cycle and Information Security Management Measures.

- (A) Ensure the confidentiality and integrity of information assets.
- (B) Ensure data access in accordance with departmental functional regulations.
- (C) Ensure the continuous operation of information systems.
- (D) Prevent unauthorized modification or use of data and systems.
- (E) Regularly conduct information security audits to ensure the effective implementation of information security.
- (F) Join the taiwan computer network crisis response and coordination center to obtain information on information security incidents and take preventive measures. In the event of a major security incident, immediate reporting will be made.

C. Specific management plans

| Internet security control | Data access control | Disaster recovery mechanism | Employee awareness campaigns |
|---|--|---|--|
| <ul style="list-style-type: none"> • Set up a firewall • Regularly scan computer systems and data storage media for viruses • All network services should be used in accordance with the information | <ul style="list-style-type: none"> • Computer equipment should be managed by designated personnel and configured with accounts and passwords • Assign different access | <ul style="list-style-type: none"> • Regularly review the emergency response plans • Conduct annual system recovery drills • Establish a system backup mechanism with offsite backup | <ul style="list-style-type: none"> • Continuously promote information security awareness to improve employee security consciousness |

| Internet security control | Data access control | Disaster recovery mechanism | Employee awareness campaigns |
|--|---|--|------------------------------|
| security policy <ul style="list-style-type: none"> • Regularly review the System Logs of network services and track abnormal situations | permissions based on job functions <ul style="list-style-type: none"> • Cancel permissions for personnel transferring to other roles • Before equipment is discarded, ensure that confidential, sensitive data and licensed software are removed or overwritten | <ul style="list-style-type: none"> • Regularly review computer network security control measures • Immediately report major information security incidents to TwCert | |

D. Resources invested in information security management

(A) Regularly promote information security awareness to users of the Company's cyber systems.

(B) Foster the development of professional talent in information security.

(C) Collaborate with SI enterprises to regularly sign annual maintenance contracts for information security equipment, and conduct irregular drills simulating information security incidents and disaster recovery.

(2) Losses, potential impacts, and countermeasures arising from major information security incidents in the most recent year and up to the publication date of the annual report; if the amount cannot be reasonably estimated, an explanation should be provided

A. The Company has not experienced any significant information security incidents resulting in business losses.

B. The Company continues to implement its information security management policy objectives and regularly conducts recovery drills to safeguard the security of critical

systems and data.

7. Material contracts

Due to confidentiality agreements entered into with upstream brand suppliers, the Company is not permitted to disclose related information. Aside from this, other material contracts are listed as follows:

| Type of contract | Parties involved | Contract commencement and expiration dates | Main terms | Restrictive clauses |
|-----------------------|--|--|---|--|
| Loan agreement | Taiwan Cooperative Bank Ltd. | 2024.05.27-2025.05.27 | Credit facility | Joint guarantor |
| Loan agreement | Hua Nan Commercial Bank, Ltd. | 2025.01. 22-2026.01.22 | Credit facility | None |
| Loan agreement | CTBC Bank Co., Ltd. | 2024.11.30-2025.11.30 | Credit facility | Mortgage on Wugu office |
| Loan agreement | First Commercial Bank, Ltd. | 2025.01.23-2026.01.23 | Credit facility | Mortgage established on the Kaohsiung warehouse, Taichung office, and Kaohsiung office |
| Loan agreement | Union Bank of Taiwan Co., Ltd. | 2024.03.08-2025.03.08 | Credit facility | Joint guarantor |
| Loan agreement | Taiwan Business Bank Co., Ltd. | 2024.11.06-2025.11.05 | Credit facility | None |
| Loan agreement | Taipei Fubon Commercial Bank Co., Ltd. | 2024.03.23-2025.03.23 | Credit facility | Joint guarantor |
| Loan agreement | Mega International Commercial Bank Co., Ltd. | 2024.04.30-2025.04.29 | Credit facility | Joint guarantor |
| Loan agreement | Cathay United Bank Ltd. | 2024.03.12-2025.03.11 | Credit facility | Joint guarantor |
| Construction contract | Deste Engineering Co., Ltd. | Final acceptance completed on 2024.01.18 | Construction of storage center | None |
| Sales contract | Dragon Gate Enterprise Co., Ltd. | 2024.03.11 | Acquisition of certain products and partial assets of a new brand | Confidentiality clause |

V. Review and analysis of financial condition, financial performance, and risk factors

1. Financial condition

Comparative analysis of financial condition

Unit: NT\$thousand

| Item \ Year | 2024 | 2023 | Differences | |
|--|-----------|-----------|-------------|--------|
| | | | Amount | % |
| Current Assets | 1,489,667 | 1,060,722 | 428,945 | 40.44 |
| Property, plant and equipment | 363,996 | 351,739 | 12,257 | 3.48 |
| Intangible assets | 30,081 | 5,858 | 24,223 | 413.50 |
| Other current asset | 204,485 | 183,603 | 20,882 | 11.37 |
| Total assets | 2,088,229 | 1,601,922 | 486,307 | 30.36 |
| Current liabilities | 419,263 | 408,464 | 10,799 | 2.64 |
| Long-term liabilities | 0 | 0 | 0 | 0 |
| Other liabilities | 60,342 | 55,454 | 4,888 | 8.81 |
| Total Liabilities | 479,605 | 463,918 | 15,687 | 3.38 |
| Capital | 646,269 | 546,269 | 100,000 | 18.31 |
| Capital surplus | 463,666 | 127,250 | 336,416 | 264.37 |
| Retained earnings | 506,792 | 476,464 | 30,328 | 6.37 |
| Other equity | (8,103) | (11,979) | 3,876 | 32.36 |
| Total shareholders' equity | 1,608,624 | 1,138,004 | 470,620 | 41.35 |
| Analysis of changes (no analysis is provided if the change is less than 20%): | | | | |
| 1. Current assets: primarily increased due to capital injection in 2024 for the construction of a storage center and the acquisition of new brand agencies and purchases, resulting in higher bank deposits and inventories compared to the same period last year. | | | | |
| 2. Intangible assets: primarily increased due to the acquisition of trademark rights in 2024. | | | | |
| 3. Total assets: primarily increased due to the rise in both current assets and intangible assets compared to the same period last year. | | | | |
| 4. Capital surplus: primarily increased due to the premium issuance of common shares through cash capital injection in 2024. | | | | |
| 5. Other equity: primarily increased due to the foreign currency translation differences arising from the financial statements of overseas operations in 2024. | | | | |
| 6. Total shareholders' equity: primarily increased due to the premium issuance of common shares through cash capital injection in 2024. | | | | |

2. Financial performance

- (1) The main reasons for significant changes in operating revenue, operating net income, and pre-tax net income over the past two years.

Unit: NT\$ thousand

| Item \ Year | 2024 | 2023 | Differences | |
|---|-----------|-----------|-------------|--------|
| | | | Amount | % |
| Operating revenue | 1,920,166 | 1,838,257 | 81,909 | 4.46 |
| Operating cost | 878,683 | 864,424 | 14,259 | 1.65 |
| Operating gross profit | 1,041,483 | 973,833 | 67,650 | 6.95 |
| Operating expenses | 764,055 | 693,777 | 70,278 | 10.13 |
| Operating income | 277,428 | 280,056 | (2,628) | (0.94) |
| Non-operating income and expenses | 32,847 | 34,814 | (1,967) | (5.65) |
| Pre-tax net income for the period | 310,275 | 314,870 | (4,595) | (1.46) |
| Income tax expense | 62,201 | 62,834 | (633) | (1.01) |
| Net income after tax for the current period | 248,074 | 252,036 | (3,962) | (1.57) |
| Analysis of changes (no analysis is provided if the change is less than 20%): | | | | |
| None | | | | |

- (2) Estimated sales volume and basis

The estimated sales volume for the year 2025 is based on the Company's operational strategies, person business unit targets and budgets, as well as reasonable assumptions derived from overall industry trends and past performance. The projected sales volumes are as follows:

| Product name | Estimated sales volume for 2025 (thousand units) |
|--------------|---|
| Apparel | 939 |
| Accessories | 207 |

- (3) Potential impact on future financial operations and response plans:

The Company's financial position remains sound, with satisfactory profitability for the current period. Long-term funding sources have been utilized to cover related expenditures, and there have been no instances of capital shortages. Therefore, the

changes in financial performance over the past two years have not had any material adverse impact on the Company. The Company's overall performance shows no significant abnormalities, and no response plan is currently necessary.

3. Cash flow

(1) Analysis and explanation of changes in cash flow in the most recent fiscal year:

Unit: NT\$ thousand

| Accounting item \ Year | 2023 | 2024 | Increase (decrease) | |
|---|-----------|----------|---------------------|----------------|
| | | | Amount | Percentage (%) |
| Cash inflows (outflows) from operating activities | 246,827 | 58,364 | (188,463) | (76.35) |
| Cash inflows (outflows) from investing activities | (218,844) | (93,278) | 125,566 | 57.38 |
| Cash inflows (outflows) from financing activities | (76,606) | 232,153 | 308,759 | 403.05 |
| The main reasons for changes in cash flow in the most recent fiscal year are as follows: | | | | |
| 1. Net cash inflow from operating activities decreased by NT\$188,463 thousand, mainly due to increased purchases in 2024 for the expansion of existing brand markets and the agency and acquisition of new brands. | | | | |
| 2. Net cash outflow from investing activities decreased by NT\$125,566 thousand, primarily because land was acquired in 2023 for the construction of a logistics center. | | | | |
| 3. Net cash inflow from financing activities increased by NT\$308,759 thousand, mainly due to a capital increase through cash issuance in 2024. | | | | |

(2) Plan for Improving Liquidity Shortage: The Company currently does not face any liquidity issues.

(3) Cash flow liquidity analysis for the coming year:

Unit: NT\$ thousand

| Beginning cash balance (1) | Net cash inflow (outflow) from operating activities for the year (2) | Net cash inflow (outflow) from investing and financing activities for the year (3) | Cash surplus (deficit) amount (1) + (2) - (3) | Remedial measures for cash deficit | |
|--|--|--|---|------------------------------------|----------------------------|
| | | | | Investment plans | Financial management plans |
| 267,667 | 351,168 | (429,306) | 189,529 | — | — |
| Analysis of changes in cash flows: | | | | | |
| 1. Operating activities: The net cash inflow from operating activities is primarily attributable to the anticipated stable growth in operating revenue, which is expected to continue generating positive cash flow. | | | | | |
| 2. Investing activities: The net cash outflow from investing activities is mainly due to payments made for the construction of the warehouse center. | | | | | |
| 3. Financing activities: The net cash outflow from financing activities is primarily the result of cash dividend payments. | | | | | |

4. Impact of major capital expenditures on financial operations in the most recent year

In 2024, the Board of Directors resolved to construct a logistics center on the Company's own land. Upon completion, the new logistics center will provide expanded storage capacity to support the Company's business growth and reduce warehouse rental expenses. This capital expenditure is not expected to have any material impact on the Company's financial operations.

5. Investment policy, major reasons for profit or loss, improvement plans, and investment plans for the coming year

(1) Investment policy in the most recent fiscal year

The Company's investment policy centers on its core business operations, and it does not engage in investments unrelated to its main business. The Company has established procedures such as the "Investment Cycle" and the "Procedures for Acquisition or Disposal of Assets." All investment projects are handled in accordance with these regulations.

(2) Major reasons for profit or loss in the most recent fiscal year and improvement plans

Unit: NT\$ thousand ; %

| Investee company | Direct/indirect investment ratio (%) | Recognized investment gain (loss) in the most recent fiscal year (2024) | Main reasons for profit or loss | Improvement plans |
|-------------------------------------|--------------------------------------|---|---|-------------------|
| Bidford Holdings Limited | 25.69 | 29,869 | Recognized investment gain under the equity method from the subsidiary Munsin (Shanghai) Trading Co., Ltd. | - |
| Munsin (Shanghai) Trading Co., Ltd. | 25.69 | 29,862 | The increase in investment gains was mainly due to Munsin (Shanghai) Trading Co., Ltd. adjusting the pricing of certain products and strengthening the control of discount campaigns in 2024. | - |

(3) Investment plans for the coming year

The Company does not have any specific investment plans for the coming year. Should any investment plans arise in the future, they will be handled in accordance with applicable regulations.

6. Analysis and assessment of risk factors in the most recent fiscal year and up to the date of the annual report

(1) Impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss, and future response measures

A. Impact of interest rate changes on the Company's profit and loss and future response measures

The Company's interest income for 2023 and 2024 was NT\$1,150 thousand and NT\$1,265 thousand, respectively, accounting for 0.06% and 0.07% of net operating revenue. Interest expenses were NT\$2,257 thousand and NT\$5,129 thousand, respectively, accounting for 0.12% and 0.27% of net operating revenue. These figures indicate that changes in interest rates have only a minor impact on the Company's profit and loss. In addition, the Company maintains sound credit relationships with its banks. To respond to interest rate fluctuations, the Company will continue to closely monitor interest rate trends and adjust its borrowing structure accordingly, adopting appropriate measures to mitigate the risk of rising interest rates.

B. Impact of exchange rate changes on the Company's profit and loss and future response measures

The Company's foreign exchange gains for 2023 and 2024 were NT\$5,963 thousand and NT\$461 thousand, respectively, accounting for 0.32% and 0.02% of net operating revenue. The Company's procurement expenditures are mainly denominated in USD and JPY, and fluctuations in foreign exchange gains and losses are primarily attributable to changes in exchange rates during the respective years. The Company will closely monitor exchange rate trends and related information, staying informed in real time. Based on global macroeconomic conditions, exchange rate trends, and future funding needs, the Company will adjust its foreign currency assets and liabilities accordingly to hedge against exchange rate risks and minimize the impact of exchange rate fluctuations on profit and loss.

C. Impact of inflation on the Company's profit and loss and future response measures

The Company will closely monitor price fluctuations of brand manufacturers and accessories, maintain good relationships with brand suppliers, and adjust product

pricing and inventory levels of apparel and accessories in a timely manner in response to such fluctuations. These measures will help reduce the impact of inflation on the Company.

- (2) Policies regarding high-risk and high-leverage investments, lending of funds to others, endorsements and guarantees, and derivatives transactions, along with the main causes of profits or losses and future response measures

The Company is focused on its core business operations and has not engaged in any high-risk or high-leverage investments, lending of funds to others, endorsements or guarantees, or derivatives transactions.

- (3) Future R&D plans and expected R&D expenditures

The Company does not have a dedicated R&D department; therefore, there are no R&D plans or anticipated R&D expenditures for the future.

- (4) Impact of significant domestic and foreign policy and legal changes on the Company's financial and business operations and response measures

The Company closely monitors policy and legal changes that may affect its operations and adjusts internal systems accordingly to ensure smooth operations. As of the most recent fiscal year and up to the date of this annual report, there have been no significant impacts on the Company's financial or business operations resulting from major domestic or international policy or legal changes.

- (5) Impact of technological changes (including cybersecurity risks) and industry shifts on the Company's financial and business operations, and corresponding measures

The Company closely monitors technological changes relevant to its industry. Our primary business involves the sale of domestic and international brand apparel and accessories through traditional physical retail channels such as department stores, shopping centers, and retail outlets. However, due to technological advancements and the rise of the internet, diverse sales channels have emerged. The Company has established an e-commerce department and is actively engaged in online sales operations, simultaneously establishing a company shopping APP and an official online shopping platform to aggressively develop the online sales market. The Company has established an information security policy and related measures to address cybersecurity risks.

Furthermore, the Company has established a dedicated cybersecurity unit and appointed a chief information security officer on March 11, 2022, to oversee, supervise, and establish information security policies. For the most recent fiscal year and up to the publication date of the annual report, the Company has not experienced any significant impact on its financial and business operations due to technological changes (including cybersecurity risks) and industry shifts.

(6) Impact of changes in corporate image on corporate crisis management and corresponding measures

The Company has consistently adhered to the principles of professionalism and integrity in its operations, emphasizing corporate image and risk management. For the most recent fiscal year and up to the publication date of the annual report, the Company has not faced any crisis management situations due to changes in its corporate image.

(7) Expected benefits, potential risks, and corresponding measures for mergers and acquisitions

As of the most recent fiscal year and up to the publication date of the annual report, the Company has no merger or acquisition plans. However, should any merger or acquisition plans arise in the future, they will be handled in accordance with relevant laws and regulations and related management procedures to ensure the protection of the Company's interests and shareholders' equity.

(8) Expected benefits, potential risks, and corresponding measures for plant expansion

To address future warehouse needs arising from business growth, the Company acquired land in Yangmei District, Taoyuan City, in December 2023. On January 17, 2024, the Board of Directors approved the construction of a logistics center and the signing of the construction contract. Prior to this investment, potential risks such as funding and business conditions were appropriately considered, and corresponding countermeasures were formulated. Capital expenditures and fundraising plans will be adjusted as necessary based on actual circumstances.

(9) Risks and countermeasures related to concentration of purchases and sales

A. Risks and countermeasures related to concentration of purchases

In 2024, the Company's procurement from the DESCENTE Group accounted for

32.17%, indicating a concentration of purchases. This is primarily because the Company acts as an agent for and is responsible for the sales of the group's products. The Company is continuously introducing other brands to reduce the impact of a single supplier on the Company. Furthermore, the procurement ratio from other suppliers is below 10%, indicating a relatively diversified sourcing base. Additionally, the DESCENTE Group invested in the Company in 2011, becoming a shareholder holding more than 10% of the shares and currently serving as a corporate director of the Company. Therefore, the risks posed by the concentration of purchases are considered to be controllable.

B. Risks and countermeasures related to concentration of sales

In 2024, the sales ratio to the Company's largest customer was 14.82%, thus there was no significant concentration of sales.

(10) Impact, risks, and countermeasures of significant transfers or changes in shareholdings of directors, supervisors, or shareholders holding ten percent or more of shares

There have been no significant transfers or exchanges of substantial shareholdings by directors or major shareholders holding more than 10% of the shares of the Company in recent years and up to the publication date of the annual report that would have a material impact on the Company's operations.

(11) Impact, risks, and countermeasures of changes in operating rights:

As of the most recent fiscal year and up to the publication date of the annual report, the Company has no merger or acquisition plans. The Company has strengthened various corporate governance measures and established an Audit Committee to enhance the protection of overall shareholder equity.

(12) The Company, as well as its directors, supervisors, president, ultimate responsible person, major shareholders holding more than 10% of shares, and subsidiaries, should disclose any significant litigation, non-litigation, or administrative disputes that have been finalized or are still pending, if their outcomes could have a material impact on shareholder equity or securities prices. The following details should be provided: the facts in dispute, the subject amount, the start date of the lawsuit, the main parties involved in the litigation, and the status of the case up to the date of the annual report publication.

The Company has not encountered any litigation or non-litigation events in the most recent fiscal year or up to the date of the annual report publication.

(13) Other important risks and response measures

The Company has consistently operated well. As it is in the department store retail industry, the impact of general industry-related risks is relatively lower compared to other industries. Therefore, there are no other significant risks affecting the Company's operations.

7. Other important matters

None

VI. Special notes

1. Affiliate information

(1) Consolidated business report of affiliates: none.

(2) Consolidated financial statements of affiliates: none.

(3) Affiliate report: none.

2. Private placement of securities in the most recent year and up to the publication date of the annual report

None

3. Other necessary supplementary explanations

None

VII. Matters with a significant impact on shareholder equity or securities prices under article 36, paragraph 3, subparagraph 2 of the securities exchange act in the most recent year and up to the publication date of the annual report

None

Munsin Garment Co., Ltd.

Board Chairperson: LI CHIUN LIANG