-

Stock Code	2916

Munsin Garment Corporation

2025 Annual Report

Printed on March 31, 2026

Company website: http://www.munsin.com.tw
Annual report website: http://mops.twse.com.tw

I. Spokesperson

Name:	Kuo Chien Lung
Title:	Vice President, Management Department
TEL:	(02)2299-7755
E-mail:	munsin@ms7.hinet.net
Acting spokesperson:	Chen Yung Chang
Title:	Manager, General Affairs Office
TEL:	(02)2299-7755
E-mail:	munsin@ms7.hinet.net

II. Address and telephone of the head office, branches, and factories

Address of the head office:	No. 18, Wuquan 6th Road, Wugu District, New Taipei City (New Taipei Industrial Park)
Head Office Tel:	(02)2299-7755
Taichung Branch address:	7F-1, No. 424, Zhongming Road, Taichung City
Taichung Branch Tel:	(04)2201-1051
Kaohsiung Branch address:	No. 11, Xindu Road, Qianzhen District, Kaohsiung City
Kaohsiung Branch Tel:	(07)813-8088

III. Stock transfer agency

Name:	Grand Fortune Securities Co., Ltd.
Address:	6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Website:	http://www. gfortune.com.tw
TEL:	(02)2371-1658

IV. CPA who audited the financial statements for the most recent year

Name of CPA:	CPAs Chen Yi Chun and Hsu Shu Min
Name of accounting firm:	KPMG International Cooperative
Address:	68F, No. 7, Section 5, Xinyi Road, Taipei City
Website:	http://www.kpmg.com.tw
TEL:	(02)8101-6666

V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None.

VI. Company website: http://www.munsin.com.tw

Munsin Garment Corporation
2025 Annual Report
Table of Contents

Chapter 1. Letter to Shareholders

Dear shareholders:

The Company's operating revenue in 2025 was NT$1,958,266 thousand, up 1.98% or NT$38,100 thousand compared to 2024; net profit after tax in 2025 was NT$255,914 thousand, up 3.16% or NT$7,840 thousand compared to 2024. Looking back at 2025, domestic consumption continued to be impacted by outbound consumption, and uncertainties caused by tariffs have made consumers more conservative in their spending due to concerns about their future livelihoods. As a result, the Company's operating revenue and gross profit in 2025 only slightly increased compared with the same period last year. Looking towards 2026, the industry is expected to grow moderately in 2026 with the crowds attracted by new large-scale shopping malls, as well as the shopping experience provided through themed events and new malls. The Company will focus on understanding market demand, introducing brands and products more suited to market needs, expanding distribution channels, and integrating online and offline channels to improve operating performance. We also hope that our shareholders will continue to offer their valuable advice, support, and encouragement. Thank you!

I. 2025 Business Performance

(I) Business plan implementation results

The Company's operating revenue in 2025 was NT$1,958,266 thousand, up 1.98% or NT$38,100 thousand compared to 2024; net profit after tax in 2025 was NT$255,914 thousand, up 3.16% or NT$7,840 thousand compared to 2024. The Company added two new brands, SCOTTISH HOUSE and PEARLY GATES, which have contributed to revenue since May 2024. However, due to the impact of uncertainties caused by tariffs, consumers becoming more conservative in their spending due to concerns about their future livelihoods, and the stores being closed for 7 months after the gas explosion at Shin Kong Mitsukoshi Taichung Zhonggang Store in February, the Company's operating revenue and gross profit in 2025 only increased slightly by NT$38,100 thousand (1.98%) and NT$16,375 thousand (1.57%), respectively, compared to the same period last year. Due to the increase of NT$15,564 thousand in operating expenses in 2025, including personnel costs, utilities, shipping fees, and advertisements and promotions, operating profit increased by NT$811 thousand compared to the same period last year. In addition, the increase in investment income recognized using the equity method and foreign exchange gains in 2025 increased non-operating income by NT$8,809 thousand compared to the same period last year. Hence, net profit after tax increased by NT$7,840 thousand compared to the same period last year.

(II) Budget implementation

Item	Actual amount (NT$ thousand)	Budget (NT$ thousand)	Completion rate
Operating revenue	1,958,266	2,016,166	97.13%
Gross profit	1,057,858	1,100,858	96.09%
Net operating profit	278,239	295,232	94.24%
Net profit after tax	255,914	258,536	98.99%

The benefits from adding new brands offset the decline in department store sales due to uncertainties caused by tariffs, so the Company achieved 97.13% and 96.09% of its revenue and gross profit targets for 2025, respectively. The Company achieved 94.24% and 98.99% of its operating profit and net profit after tax targets, respectively, mainly due to the increase in actual non-operating income in 2025.

(III) Analysis of Financial Gains and Losses and Profitability

1. Analysis of financial gains and losses:

Item	2025 (NT$ thousand)	2024 (NT$ thousand)	Percentage of increase (decrease)
Net operating profit	278,239	277,428	0.29%
Non-operating income and expenses	41,656	32,847	26.82%
Pre-tax profit	319,895	310,275	3.10%

2. Profitability analysis:

Item		2025	2024
Return on assets		12.30%	13.67%
Rate of return on equity		15.79%	18.06%
As a percentage of paid-in capital	Operating profit	43.05%	42.93%
	Pre-tax profit	49.50%	48.01%
Net profit margin (after-tax)		13.07%	12.92%
Earnings per share (NTD)		3.96	4.19

(IV) Research and Development

The Company is an authorized agent for clothing brands in department stores and shopping malls, and therefore does not engage in research and development of related technologies. The brands that the Company serves as an authorized agent for and the Company's own brands are described below:

Brand Name	Description
Munsingwear	Munsingwear, a golf apparel brand with a penguin logo, originated in the United States and became popular in Japan. With over 100 years of history, its bold and meticulous craftsmanship creates a perfect blend of fashion and comfort, crafting high-quality clothing that can be worn for both sports and everyday life.
le coq sportif GOLF	Le Coq Sportif's Golf collection offers a complete range of sporting goods, from club bags, protective accessories, to apparel and shoes, featuring functionality in a simple and elegant casual style, making it also suitable for everyday wear.
le coq sportif	Le Coq Sportif is a French brand with sportsmanship as its core and uses the French national bird as its logo. It offers three major series: French sportswear, trendy, and retro, providing a wide range of products for the general public.
HAZZYS	HAZZYS is a high-end casual clothing brand that features the British preppy style for young and fashionable customers. The brand combining the values and lifestyle of British aristocracy, emphasizes understated elegance, practical aesthetics, and natural charm, and showcases the sense of fashion of modern people who have a passion for life.
NARA CAMICIE	NARA CAMICIE is an Italian brand that offers working women a variety of beautiful outfits suitable for different times, occasions, and locations. In addition to its elegant lines, the vibrant colors, tailored cuts, and comfortable fabrics are the reasons for its popularity among consumers in the Asian market.

Brand Name	Description
ココディール	Coco Deal is a sweet Japanese-style brand that combines a charming personality with trendy clothing designs, showcasing the unique sweetness and romance of Japanese women through distinctive prints and silhouettes.
POU DOU DOU	POU DOU DOU was founded over 35 years ago and named in 1982 after the sound of birds. The brand lets many young girls showcase a youthful and lovely forest style in life through elaborate outfits. In terms of design, the brand combines cute and loose cuts with light-hearted patterns and colors, making it easy to create your own fashionable outfit.
DANSKIN	DANSKIN is a century-old American brand that inherited its genes from ballet, and extended to the gentle lifestyle of yoga, emphasizing beauty from the inside out. It creates a unique taste for modern women, bringing out a confident and joyful urban sporty style to "Awaken Your Beauty."
and per se	The Japanese golf apparel brand and per se derives its name from Latin, where the "&" symbol represents "and" and "per se" means "in itself." The brand combines different elements with "quality, functionality, and fashion" as its core values to bring new fun to golf and fashion.
PEARLY GATES	PEARLY GATES, a trendy golf apparel brand from Japan, exudes the spirit and taste of aristocrats with its sophisticated, pure, and impeccable style.
SCOTTISH HOUSE	Founded in 2001, SCOTTISH HOUSE takes the classic red and black Scottish tartan and terrier as its brand spirit, and incorporates an elegant, simple, and refined style.

II. Summary of 2026 Business Plan

(I) Business Policy

The rising popularity of sports has led to the trend of combining sports, leisure, and fashion, which has become the main direction of the Company's efforts. In terms of distribution channels, we focus on developing existing shopping malls with potential and maturity, monitoring developments of shopping, and selecting suitable brands to open stores in new shopping malls (such as Far Eastern Garden City and Hanshin Intercontinental Shopping Plaza in Taichung) or existing department stores, outlets, distributors and franchise stores. We will also close locations with poor sales performance to improve our business performance. In addition to physical channels, we will also integrate online and offline channels by connecting e-commerce platforms to develop a membership economy, providing a seamless consumer experience when switching between online and offline channels, thereby increasing member loyalty. We will continue to monitor the market and introduce products that better meet its needs, strengthen employee education and training, establish a customer-centric philosophy, and build a comprehensive customer service network to increase brand value.

(II) Expected sales volume and its basis

The Company's projected sales volume for 2026 is based on the Company's business strategy, the sales targets and budgets of each unit, and reasonable assumptions of the overall industry's outlook, development trends, and past business performance. The projected sales volume is as follows:

Product name	Projected sales volume (in thousands) for 2026
Clothing products	931
Accessories	187

(III) Important production and marketing policies

With regard to existing brands, we will implement performance evaluation and management, close locations with poor sales performance, continue to improve the business performance of existing sales locations, improve the precision of product design and procurement through data analysis, and formulate different sales strategies for different market segments in coordination with the tiered management of malls, so as to increase gross profit and effectively reduce inventory.

We provide excellent services and high-quality, well-designed brands and products, and strengthen the market positioning and brand value of brands through marketing campaigns on traditional media and social media. At the same time, we will closely follow the latest trends and continue to develop a wider range of products to expand into new markets.

As for our policy in China, we will form joint ventures with local companies, which will be responsible for operations and implementing effective marketing strategies to meet the needs of local consumers and generate maximum profits.

III. Future Development Strategy

(I) Introduce brands and products that meet market needs.

(II) Strengthen brand image by interacting with consumers through various media and social media platforms.

(III) Establish a customer-centric philosophy through education and training, and provide customers with high-quality services in terms of both quality and attitude.

IV. Impacts due to the competitive environment, regulatory environment, and overall business environment

(I) The Company has faced severe competition in Taiwan's apparel and luxury goods market for over four decades, accumulated a wealth of valuable professional knowledge and industry experience, and established a good reputation and word-of-mouth in the industry. Despite the rapid changes in the apparel and luxury goods market, our sound marketing strategy and constantly evolving business management is sufficient to effectively respond to changes in the external environment.

(II) In terms of the regulatory environment, the Executive Yuan in September 2025 approved an adjustment to the minimum wage, which will be increased to NT$29,500 per month and NT$196 per hour starting from January 2026. Since the salaries of all general employees exceed the minimum wage, only the wages of a small number of part-time employees will be adjusted, so the adjustment to the minimum wage will not have a significant impact on the Company's operations.

(III) In terms of the overall business environment, according to statistics released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the economic growth rate is projected to be 7.71% in 2026. With listed companies making good profits, it will help raise wages and increase dividend payouts, which will boost household disposable income and maintain consumption momentum. However, the economic benefits generated by artificial intelligence is concentrated in the hands of a few companies and households, so the figures look much better than how most people actually feel. Looking towards 2026, the industry is expected to grow moderately in 2026 with the crowds attracted by new large-scale shopping malls, as well as the shopping experience provided through themed events and new malls.

V. Conclusion

The business overview and business report above shows that the Company continues to make improvements and maintain its business performance in a highly competitive industry environment, which shows the efforts and dedication of the management team. Looking towards 2026, all employees will continue to uphold the spirit of striving for excellence and create even better results, so as to live up to the support and high expectations of our shareholders.

I wish you peace and health.

Chairman Li Chiun Liang

Chapter 2. Corporate Governance Report

I. Information on directors, president, vice presidents, assistant vice presidents, and department and branch directors

(I) Information on directors

1. Information on directors

Information on directors

Unit: Shares; March 28, 2026

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managers or directors who is the spouse or relative within the second degree of 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	Relationship	
Chairman	Republic of China	Li Chiun Liang	Male 71-80 years old	2025.05.28	Three years	1986.10.22	3,073,398	4.76%	3,073,398	4.76%	None	None	None	None	Department of Accounting, Fu Jen Catholic University President, Munsin Garment Corporation	Chairman, Munsin (Shanghai) Trading Co., Ltd Director, Bidford Holdings Limited	Director	Li Jian Ruey	First degree of kinship	None

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managers or directors who is the spouse or relative within the second degree of 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	Relationship	
Director	Japan	Goto Kenji	Male 61-70 years old	2025.05.28	Three years	2022.06.06	75,020	0.12%	80,020	0.12%	None	None	None	None	Department of Business Administration, School of Business, Aoyama Gakuin University Head of Customer Consultation Department, Descente Ltd. Director of Munsingwear Sales Department, Descente Ltd. Director of Golf Marketing Department, Descente Ltd.	President, Munsin Garment Corporation	None	None	None	None
Director	Republic of China	Li Jian Ruey	Male 41-50 years old	2025.05.28	Three years	2025.05.28	2,450,712	3.79%	2,450,712	3.79%	None	None	None	None	Department of Information Management, Huafan University Assistant Vice President of Brands, Men's Apparel Sales Department 1, Munsin Garment Corporation Senior Engineer, WITS Corporation	Vice President, Men's Apparel Sales Department 1, Munsin Garment Corporation	Chairman	Li Chiun Liang	First degree of kinship	None

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managers or directors who is the spouse or relative within the second degree of 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	Relationship	
Director	Republic of China	Li Dering	Female 51-60 years old	2025.05.28	Three years	2016.06.07	2,919,567	4.52%	2,919,567	4.52%	None	None	None	None	Microbiology Department, Pittsburg State University Department of Botany, Chinese Culture University Supervisor, China Times Publishing Company	President, Qunying International Development Co., Ltd. Representative of Institutional Director, China Times Publishing Company	None	None	None	None
Director	Japan	Descente Ltd.	None	2025.05.28	Three years	2012.06.08	8,325,000	12.88%	8,325,000	12.88%	None	None	None	None	None	None	None	None	None	None
	Japan	Representative: Okuda Naohito	Male 51-60 years old	2025.06.13 (Note 2)	Three years	2025.06.13 (Note 2)	None	None	None	None	None	None	None	None	Faculty of Economics, Kobe University Acting Head of Brand Marketing Department I, Descente Japan Ltd.	Acting Head of Brand Marketing Department I, Descente Japan Ltd.	None	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managers or directors who is the spouse or relative within the second degree of 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	Relationship	
Director	Republic of China	Jacksiya Investment Co., Ltd.	None	2025.05.28	Three years	2013.06.11	6,151,206	9.52%	6,171,206	9.55%	None	None	None	None	None	Institutional Director, China Times Publishing Company	None	None	None	None
	Republic of China	Representative: Tsai Shih Yung	Male 61-70 years old	2025.05.28	Three years	2013.06.11	None	None	None	None	None	None	None	None	Institute of Applied Chemistry, Chinese Culture University Chairman, Jinbiao Co., Ltd. President (2006-2007), Rotary Club of Taichung Port North	Chairman and President, Jacksiya Investment Co., Ltd. Director, Jinbiao Co., Ltd. Representative of Institutional Director, China Times Publishing Company	None	None	None	None
Independent Director	Republic of China	Huang Bo Chen	Male 71-80 years old	2025.05.28	Three years	2004.06.29	None	None	None	None	None	None	None	None	Institute of Accounting, National Chengchi University CPA, Huang Bo Chen Accounting Network	Person in charge of Board Accounting Network	None	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managers or directors who is the spouse or relative within the second degree of 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	Relationship	
Independent Director	Republic of China	Jan Hung Tu	Male 61-70 years old	2025.05.28	Three years	2022.06.06	12,354	0.02%	12,354	0.02%	290	0.00%	None	None	EMBA, Department of Business Administration, Ling Tung University Chairman, Shin Shin Co., Ltd. President, Taichung Zizhi Lions Club	None	None	None	None	None
Independent Director	Republic of China	Chang Huang Chun	Male 71-80 years old	2025.05.28	Three years	2025.05.28	None	None	None	None	None	None	None	None	Department of English, Tamkang University Chairman, Nice Match International Co., Ltd. Chairman, Ninoriva International Trading Co., Ltd.	None	None	None	None	None

Note 1: The Company's chairman and president are not the same person, nor are they spouses or relatives within the first degree of kinship.
Note 2: Institutional director Descente Ltd. appointed Mr. Okuda Naohito as its new representative on June 13, 2025, replacing Mr. Miyayama Naoto.

2. Major shareholders of institutional shareholders

Major shareholders of institutional shareholders

March 28, 2026

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)
Descente Ltd.	Itochu Corporation (100%) (Note 4)
Jacksiya Investment Co., Ltd.	Tsai Shih Yung (50%)

Note 1: The names of the institutional shareholders shall be listed for directors who are representatives of institutional shareholders.

Note 2: Fill in the names of the major institutional shareholders (with shareholding percentages ranking in the top ten) and their shareholding percentage. If the major shareholder is a legal person, then fill in the table below.

Note 3: Where the institutional shareholder is not a company, the name and shareholding ratio of shareholders that must be disclosed above is the name and ratio of contributions or donations from the investor or donor (refer to announcements of the Judicial Yuan). Add the note "Deceased" if the donor is deceased.

Note 4: Itochu Corporation holds shares in Descente Ltd. through its subsidiary BS Investment Co., Ltd.

3. If a major shareholder of an institutional shareholder is also an institutional shareholder, its major shareholders

Major shareholders of major institutional shareholders

March 28, 2026

Name of institutional shareholder (Note 1)	Major shareholders of the institutional shareholder (Note 2)
Itochu Corporation	The Master Trust Bank of Japan, Ltd. (Trust Account) (16.24%) STATE STREET BANK AND TRUST COMPANY505104 (Standing proxy: (Mizuho Bank, Ltd., Settlement Department) (9.74%) Custody Bank of Japan, Ltd. (Trust Account) (5.32%) Nippon Life Insurance Company (2.42%) STATE STREET BANK AND TRUST COMPANY505001 (Standing proxy: (Mizuho Bank, Ltd., Settlement Department) (2.27%) Mizuho Bank, Ltd. (2.22%) STATE STREET BANK WEST CLIENT - TREATY505234 (Standing proxy: (Mizuho Bank, Ltd., Settlement Department) (1.73%) JP MORGAN CHASE BANK 385632 (Standing proxy: (Mizuho Bank, Ltd., Settlement Department) (1.52%) GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A. Tokyo Branch) (1.42%) Asahi Mutual Life Insurance Company (1.33%)

Note 1: If the major shareholder in the above table is a legal person, fill in the name of the legal person.

Note 2: Fill in the names of the major shareholders (with shareholding percentages ranking in the top ten) of the institutions and their shareholding percentage.

Note 3: Where the institutional shareholder is not a company, the name and shareholding ratio of shareholders that must be disclosed above is the name and ratio of contributions or donations from the investor or donor (refer to announcements of the Judicial Yuan). Add the note "Deceased" if the donor is deceased.

3. Disclosure of information on the professional qualifications of directors and independence of independent directors

(1) Professional qualifications and experience of directors

Name	Professional qualifications and experience
Chairman Li Chiun Liang	Graduated from the Department of Accounting, Fu Jen Catholic University and currently serves as the chairman of the Company's Board of Directors. He has more than five years of necessary work experience in business, finance, and corporate affairs, and has worked in the department store retailing industry for nearly 45 years. He has the international perspective, professional leadership, marketing, operation management, strategic planning, and crisis management skills needed to lead the Company to become the industry leader and achieve 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. and has over five years of experience in business, finance, and corporate operations. He has a global perspective, specializes in market strategy and business development, is well-versed in the department store industry, and possess innovative leadership and operational management abilities.
Director Li Jian Ruey	Mr. Li Jian Ruey graduated from the Department of Information Management at Huafan University, and is the vice president of the Men's Apparel Sales Department 1. He has more than five years of experience in business and corporate operations, is well-versed in the department store industry, is able to make professional judgments regarding market competition, and has innovative leadership and operational management abilities.
Director Li Dering	Ms. Li Dering graduated with a master's degree from Pittsburgh State University, and is currently the president of Qunying International Development Co., Ltd. and the representative of an institutional director of China Times Publishing Company. She has more than five years of experience in business, finance, and corporate operations, specializes in corporate finance and construction manpower development, and possesses a wealth of experience in the construction and human resource industries.
Representative of institutional director Okuda Naohito	Mr. Okuda Naohito is the acting head of Brand Marketing Department I of Descente Japan Ltd., a subsidiary of Descente Ltd., which is a major shareholder of the Company, and has more than five years of experience in business, finance and corporate operations. He has an international perspective, specializes in apparel product planning and business promotion, is well-versed in apparel production and sales, and has innovative leadership and operational management abilities.

Name	Professional qualifications and experience
Representative of institutional director Tsai Shih Yung	Mr. Tsai Shih Yun graduated from the Institute of Applied Chemistry of Chinese Culture University, and is currently the chairman and president of Jacksiya Investment Co., Ltd., the director of Jinbiao Co., Ltd., and representative of an institutional director of China Times Publishing Company. He has more than five years of experience in business, finance, and corporate operations, 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 Institute of Accounting of National Chengchi University, holds a certified public accountant license, has been practicing for over 40 years. He is currently the person in charge of Board Accounting Network and is the convener of the Company's Remuneration Committee and Audit Committee. He has more than five years of experience and professional qualifications in business, finance, accounting, and corporate operations, and specializes in corporate finance and accounting.
Independent Director Jan Hung Tu	Mr. Jan Hung Tu graduated with an EMBA from the Department of Business Administration of Ling Tung University, formerly served as the chairman of Shin Shin Co., Ltd., and is currently a member of the Company's Remuneration Committee and Audit Committee. Has more than five years of experience in business, finance, and corporate operations, is well-versed in the department store industry, and has the ability to make judgments regarding market competition and manage operations.
Independent Director Chang Huang Chun	Mr. Chang Huang Chun graduated from the Department of English at Tamkang University, and previously served as chairman of Nice Match International Co., Ltd. and chairman of Ninoriva International Trading Co., Ltd. He has nearly 30 years of experience in the department store industry and is a member of the Company's Remuneration Committee and Audit Committee. He has more than five years of experience in business, finance, and corporate operations, specializes in shopping mall planning, product development, and operations, and has extensive experience in the department store industry.

(2) Information on independence

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman Li Chiun Liang	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (2) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (4) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (5) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (6) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Director Goto Kenji	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (3) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (4) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	(5) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (7) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (8) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (9) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Director Li Jian Ruey	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (2) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (4) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (5) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition	

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (7) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (8) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Director Li Dering	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2). (4) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (5) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of another company or	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (8) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (9) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (10) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (11) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Representative of institutional director Okuda Naohito	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	(not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3). (5) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.	

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	(8) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (9) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	
Representative of institutional director Tsai Shih Yung	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3). (5) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (8) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (9) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (10) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	
Independent Director Huang Bo Chen	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3). (5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (8) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal,	

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Independent Director Jan Hung Tu	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3). (5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (8) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to	

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	mergers and acquisitions. (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	
Independent Director Chang Huang Chun	The independent director has met the following independence assessment criteria in the two years prior to appointment and during the term of office. (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3). (5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's	None

Name	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
	director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairman, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (8) Not a director, supervisor, or manager of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions. (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company. (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.	

4. Board Diversity

The Company advocates and respects the board diversity policy in order to strengthen corporate governance and promote the sound development of the Board of Directors in terms of composition and structure. We believe that the diversity policy will help to improve the Company's overall performance. Board members are selected on the basis of merit and have diverse and complementary abilities across industry sectors, including basic composition (e.g., age, gender, nationality, etc.), their individual industry experience and relevant skills (e.g., investing, accounting, and development), as well as business judgment, business management, leadership, and crisis management.

The Company's Corporate Governance Best Practice Principles stipulates that the diversity of board members must be considered and there may not be any restrictions on gender, race, and nationality. Board members must have the knowledge, skills, and literacy to perform their duties. To achieve the goals of corporate governance, abilities required by the Board of Directors as a whole include 1. The ability to make sound business judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to manage a business. 4. Ability to handle crisis management. 5. Knowledge of the industry. 6. An understanding of international markets. 7. Leadership skills. 8. Decision-making ability.

The Company's Board of Directors consists of 9 directors (including 3 independent directors). Of the board members, 22% are employees of the Company. Independent directors account for 33% of all members. In addition, the Board of Directors also has 1 female director who accounts for 11% of all members. The Company's female directors have not reached one third of all board members. The Company will continue to pay attention the development of board diversity, and will make timely adjustments as needed and based on the availability of suitable female candidates, so as to improve board diversity and the quality of decision-making.

As of the end of 2025, 1 board member is between 41 and 50 years old; 2 board members are between 51 and 60 years old; 3 board members are between 61 and 70 years old; 3 board members are between 71 and 80 years old. Among the 3 independent directors, 1 has served for three terms or more. Their qualifications meet regulatory requirements for independent directors, and they are familiar with the operations of the Company. The progress is detailed in the table below:

Name	Title	Nationality	Gender	Has employee status	Age				Number years served as independent director		Core competency for diversity						
					41-50 years old	51-60 years old	61-70 years old	71-80 years old	Less than 3 terms	3 terms or more	Business and investment	Architecture and development	Finance and accounting	Production and manufacturing	Marketing and advertising	Information and technology	Risk and management
Li Chiun Liang	Chairman	Republic of China	Male					V			V		V		V	V	V
Goto Kenji	Director	Japan	Male	V			V				V		V		V	V	V
Li Jian Ruey	Director	Republic of China	Male	V	V						V				V	V	V
Li Dering	Director	Republic of China	Female			V					V	V	V		V		V
Okuda Naohito	Representative of institutional director	Japan	Male			V					V		V		V	V	V
Tsai Shih Yung	Representative of institutional director	Republic of China	Male				V				V	V	V	V	V		V
Huang Bo Chen	Independent Director	Republic of China	Male					V		V	V		V				V
Jan Hung Tu	Independent Director	Republic of China	Male				V		V		V		V		V		V
Chang Huang Chun	Independent Director	Republic of China	Male					V	V		V		V	V	V		V

5. Specific management targets and attainment of the board diversity policy

Management target	Current progress
Directors who serve concurrently as managers should not exceed one third of the Board of Directors	Achieved
The Board of Directors has at least one female member	Achieved
Independent directors serve no more than three consecutive terms	67% achieved Independent Director Huang Bo Chen has served as an independent director of the Company for more than three terms. He has expertise in accounting and is familiar with relevant laws and corporate governance. He is clearly able to utilize his expertise to benefit the Company.

6. Independence of the Board

(1) The Company has 9 directors, including 3 independent directors, accounting for 33% of the board members. The Company has established an Audit Committee to replace supervisors. The independent directors all meet the independence criteria set forth in Articles 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

(2) Less than half of all directors are a spouse or a relative within the second degree of kinship of other directors (there are no circumstances specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act).

(3) Directors have a high level of self-discipline and recuse themselves from discussions and voting on agenda items in which they have a conflict of interest, if it may be detrimental to the Company's interests, after disclosing material aspects of their conflict of interest during the board meeting. Furthermore, directors with a conflict of interest may not act as a proxy to exercise voting rights on behalf of other directors.

(II) Information on the president, vice presidents, assistant vice presidents, and heads of departments and subsidiaries

<u>Information on the president, vice presidents, assistant vice presidents, and heads of departments and subsidiaries</u>

March 28, 2026

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks (Note)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Japan	Goto Kenji	Male	2022.07.01	80,020	0.12%	None	None	None	None	Department of Business Administration, School of Business, Aoyama Gakuin University Head of Customer Consultation Department, Descente Ltd.	None	None	None	None	None
Executive Vice President, Business Department	Republic of China	Lin Yuan Yu	Male	2020.07.01	20,000	0.03%	None	None	None	None	Department of Electronic Engineering, Oriental Institute of Technology Vice President, Men's Apparel Sales Department, Munsin Garment Corporation Assistant Vice President of Brands, Men's Apparel Sales Department 1, Munsin Garment Corporation	None	None	None	None	None
Vice President, Management Department	Republic of China	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, Management Department, Munsin Garment Corporation Deputy Manager, Computer Room, Munsin Garment Corporation	None	None	None	None	None
Vice President, Men's Apparel Sales Department 1	Republic of China	Li Jian Ruey	Male	2025.04.02	2,450,712	3.79%	None	None	None	None	Department of Information Management, Huafan University Assistant Vice President, Men's Apparel Sales Department 1, Munsin Garment Corporation Senior Engineer, WITS Corporation	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks (Note)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President, Men's Apparel Sales Department 1	Republic of China	Ho Chi Yuan	Male	2014.09.16	None	None	9,643	0.01%	None	None	Department of Sociology, Tunghai University Assistant Vice President of Liquidation, Men's Apparel Sales Department 1, Munsin Garment Corporation Brand Manager, Men's Apparel Sales Department 2, Munsin Garment Corporation	None	None	None	None	None
Assistant Vice President, Men's Apparel Sales Department 1	Republic of China	Wang Cheng Yen	Male	2025.04.02	None	None	None	None	None	None	EMBA, Department of Business Management, National Taipei University of Technology Senior Brand Manager, Men's Apparel Sales Department 1, Munsin Garment Corporation Senior Retail Operations Manager, Adidas Taiwan Ltd.	None	None	None	None	None
Assistant Vice President, Men's Apparel Sales Department 2	Republic of China	Chou Chao Yu	Female	2020.09.16	None	None	None	None	None	None	Department of Business Administration, China University of Technology Brand Manager, Women's Apparel Sales Department 2, Munsin Garment Corporation Business Manager, Tommy Hilfiger Corporation	None	None	None	None	None
Assistant Vice President, Women's Apparel Sales Department 1	Republic of China	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 Corporation Deputy Section Chief, Evergreen Department	None	None	None	None	None
Assistant Vice President, Women's Apparel Sales Department 2	Republic of China	Lin Chiu Ching	Female	2020.09.16	None	None	None	None	None	None	Department of Clothing, Bunka Gakuen University Brand Manager, Women's Apparel Sales Department 3, Munsin Garment Corporation Brand Manager, Sun Din Trade Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks (Note)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President, Women's Apparel Sales Department 3	Republic of China	Chu Hung Chi	Male	2024.05.01	None	None	None	None	None	None	Department of Architectural Drawing, Kainan University Manager, Dragon Gate Enterprise Co., Ltd. Manager, Mayfair House Co., Ltd.	None	None	None	None	None
Assistant Vice President, Finance Department	Republic of China	Liu Tzu Yuan	Female	2025.08.16	None	None	None	None	None	None	Institute of Accounting, National Taipei University Manager, Finance Department, Munsin Garment Corporation Manager, Accounting Department, Singtex Industrial Co., Ltd.	None	None	None	None	None
Assistant Vice President, Finance Department	Republic of China	Hung Shih Hui	Female	2020.09.16	None	None	None	None	None	None	Department of Business Administration, National Taipei University of Business Senior Manager, Finance Department, Munsin Garment Corporation Accountant and Purchasing, Shin Chin Iron Works Co., Ltd.	None	None	None	None	None
Corporate Governance Officer	Republic of China	Chen Chien Ming	Male	2023.06.01	50,963	0.08%	61,590	0.10%	None	None	Department of Business Administration, Ming Chuan University Deputy Manager, Management Department, Munsin Garment Corporation Senior Specialist, President's Office, In Win Development Inc.	None	None	None	None	None

Note: The Company's chairman and president are not the same person, nor are they spouses or relatives within the first degree of kinship.

II. Remunerations to directors, president, and vice presidents in the most recent year

(I) Director's remuneration

Remuneration to directors and independent directors

December 31, 2025; Unit: NT$ thousand/thousand shares

Title	Name	Remuneration for directors								Total of (A+B+C+D) and as a percentage of after-tax net profit		Pay received as an employee								Total of (A+B+C+D+E+F+G) and as a percentage of after-tax net profit		Remuneration from investee companies other than subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Directors' remuneration (C)		Business expenses (D)				Salary, bonus and special allowance (E)		Severance pay and pension (F)		Employee bonus (G) (Note 6)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Li Chiun Liang	4,173	4,173	None	None	2,246	2,246	540	540	6,959 2.72%	6,959 2.72%	None	None	None	None	None	None	None	None	6,959 2.72%	6,959 2.72%	52
Director and President	Goto Kenji	None	None	None	None	898	898	324	324	1,222 0.48%	1,222 0.48%	3,614	3,614	None	None	99	None	99	None	4,935 1.93%	4,935 1.93%	None
Director	Li Jian Ruey (Note 1)	None	None	None	None	898	898	189	189	1,087 0.42%	1,087 0.42%	1,359	1,359	51 (Note 5)	51 (Note 5)	92	None	92	None	2,589 1.01%	2,589 1.01%	None
Director	Li Dering	None	None	None	None	898	898	324	324	1,222 0.48%	1,222 0.48%	None	None	None	None	None	None	None	None	1,222 0.48%	1,222 0.48%	None
Institutional director	Jacksiya Investment Co., Ltd.	None	None	None	None	898	898	324	324	1,222 0.48%	1,222 0.48%	None	None	None	None	None	None	None	None	1,222 0.48%	1,222 0.48%	None
Representative of institutional director	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
Institutional director	Descente Ltd.	None	None	None	None	898	898	324	324	1,222 0.48%	1,222 0.48%	None	None	None	None	None	None	None	None	1,222 0.48%	1,222 0.48%	None
Representative of institutional director	Representative: Miyayama Naoto (Note 2)	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None
Representative of institutional director	Representative: Okuda Naohito (Note 2)	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None
Director	Li Chiun Mi (Note 3)	None	None	None	None	None	None	135	135	135 0.05%	135 0.05%	None	None	None	None	None	None	None	None	135 0.05%	135 0.05%	None
Independent Director	Huang Bo Chen	None	None	None	None	None	None	339	339	339 0.13%	339 0.13%	None	None	None	None	None	None	None	None	339 0.13%	339 0.13%	None
Independent Director	Jan Hung Tu	None	None	None	None	None	None	339	339	339 0.13%	339 0.13%	None	None	None	None	None	None	None	None	339 0.13%	339 0.13%	None
Independent Director	Chang Huang Chun (Note 4)	None	None	None	None	None	None	204	204	204 0.08%	204 0.08%	None	None	None	None	None	None	None	None	204 0.08%	204 0.08%	None
Independent Director	Hosonuma Isao (Note 3)	None	None	None	None	None	None	135	135	135 0.05%	135 0.05%	None	None	None	None	None	None	None	None	135 0.05%	135 0.05%	None

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
   (1) Pursuant to the Articles of Incorporation, the Board of Directors is authorized to determine the remuneration to the Company's chairman and directors based on their participation in the Company's operations, the value of their contributions, and prevailing rates in the industry.
   (2) The Articles of Incorporation also stipulate that directors' remuneration shall not exceed 2% of the profit each year. The Remuneration Committee Charter stipulates that directors' remuneration shall be paid in accordance with the Regulations for the Remuneration of Directors and Managers.
2. Except as disclosed in the table above, the remuneration received by directors of the Company in the most recent year for the services provided to all companies in the financial statements (e.g. as non-employee consultant): None.

Note 1: Mr. Li Jian Ruey was elected as a director of the Company at the Annual General Meeting on May 28, 2025.

Note 2: Descente Ltd. appointed Mr. Okuda Naohito as its new representative on June 13, 2025, replacing Mr. Miyayama Naoto.

Note 3: Mr. Li Chiun Mi and Mr. Hosonuma Isao were dismissed after the election of directors on May 28, 2025.

Note 4: Mr. Chang Huang Chun was elected as an independent director of the Company at the Annual General Meeting on May 28, 2025.

Note 5: Allocation of severance pay and pension expense.

Note 6: The distribution of 2025 employee bonuses was approved by the Board of Directors on March 11, 2026 and will be reported during the 2026 annual general meeting. The employee bonuses have not been distributed as of the date of report. Therefore, the table above lists the proposed amounts.

(II) Remunerations to the president and vice presidents

Remunerations to the president and vice presidents

December 31, 2025; Unit: NT$ thousand/thousand shares

Title	Name	Salary (A)		Severance pay and pension (B) (Note 2)		Bonuses and allowances, etc. (C)		Employee bonuses (D) (Note 3)				Ratio of total remuneration (A+B+C+D) to net profit after tax (%)		Remuneration from investee companies other than subsidiaries or the parent company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Goto Kenji	3,614	3,614	None	None	None	None	99	None	99	None	3,713 1.45%	3,713 1.45%	None
Executive Vice President, Business Department	Lin Yuan Yu	2,410	2,410	108	108	None	None	92	None	92	None	2,610 1.02%	2,610 1.02%	None
Vice President, Men's Apparel Sales Department 1	Li Jian Ruey (Note 1)	1,646	1,646	65	65	None	None	92	None	92	None	1,803 0.70%	1,803 0.70%	None
Vice President, Management Department	Kuo Chien Lung	2,700	2,700	108	108	None	None	92	None	92	None	2,900 1.13%	2,900 1.13%	None

Note 1: Assistant Vice President Li Jian Ruey was promoted to vice president on April 2, 2025, and his remuneration was calculated based on the period he was vice president.

Note 2: Allocation of severance pay and pension expense.

Note 3: The distribution of 2025 employee bonuses was approved by the Board of Directors on March 11, 2026 and will be reported during the 2026 annual general meeting. The employee bonuses have not been distributed as of the date of report. Therefore, the table above lists the proposed amounts.

(III) Remuneration paid to the five highest paid managers

<u>Remuneration paid to the five highest paid managers of the public company</u>

December 31, 2025; Unit: NT$ thousand/thousand shares

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance pay and pension (B) (Note 1)</th><th colspan="2">Bonuses and allowances, etc. (C)</th><th colspan="4">Employee bonuses (D) (Note 2)</th><th colspan="2">Ratio of total remuneration (A+B+C+D) to net profit after tax (%)</th><th rowspan="3">Remuneration from investee companies other than subsidiaries or the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>President</td><td>Goto Kenji</td><td>3,614</td><td>3,614</td><td>None</td><td>None</td><td>None</td><td>None</td><td>99</td><td>None</td><td>99</td><td>None</td><td>3,713
1.45%</td><td>3,713
1.45%</td><td>None</td></tr>
<tr><td>Vice President, Management Department</td><td>Kuo Chien Lung</td><td>2,700</td><td>2,700</td><td>108</td><td>108</td><td>None</td><td>None</td><td>92</td><td>None</td><td>92</td><td>None</td><td>2,900
1.13%</td><td>2,900
1.13%</td><td>None</td></tr>
<tr><td>Executive Vice President, Business Department</td><td>Lin Yuan Yu</td><td>2,410</td><td>2,410</td><td>108</td><td>108</td><td>None</td><td>None</td><td>92</td><td>None</td><td>92</td><td>None</td><td>2,610
1.02%</td><td>2,610
1.02%</td><td>None</td></tr>
<tr><td>Vice President, Men's Apparel Sales Department 1</td><td>Li Jian Ruey</td><td>2,024</td><td>2,024</td><td>87</td><td>87</td><td>None</td><td>None</td><td>92</td><td>None</td><td>92</td><td>None</td><td>2,203
0.86%</td><td>2,203
0.86%</td><td>None</td></tr>
<tr><td>Assistant Vice President, Men's Apparel Sales Department 1</td><td>Ho Chi Yuan</td><td>1,698</td><td>1,698</td><td>108</td><td>108</td><td>None</td><td>None</td><td>86</td><td>None</td><td>86</td><td>None</td><td>1,892
0.74%</td><td>1,892
0.74%</td><td>None</td></tr>
</table>

Note 1: Allocation of severance pay and pension expense.

Note 2: The distribution of 2025 employee bonuses was approved by the Board of Directors on March 11, 2026 and will be reported during the 2026 annual general meeting. The employee bonuses have not been distributed as of the date of report. Therefore, the table above lists the proposed amounts.

(IV) Names of managers that received employee bonuses and status of the distribution

Names of managers that received employee bonuses and status of the distribution

December 31, 2025; Unit: NT$ thousand/thousand shares

<table>
<tr><th colspan="2">Title</th><th>Name</th><th>Stock amount</th><th>Cash amount</th><th>Total</th><th>Ratio of total amount to net profit after tax (%)</th></tr>
<tr><td rowspan="13">Manager</td><td>President</td><td>Goto Kenji</td><td rowspan="13">None</td><td rowspan="13">1,063</td><td rowspan="13">1,063</td><td rowspan="13">0.42%</td></tr>
<tr><td>Executive Vice President, Business Department</td><td>Lin Yuan Yu</td></tr>
<tr><td>Vice President, Management Department</td><td>Kuo Chien Lung</td></tr>
<tr><td>Vice President, Men's Apparel Sales Department 1</td><td>Li Jian Ruey</td></tr>
<tr><td>Assistant Vice President, Men's Apparel Sales Department 1</td><td>Ho Chi Yuan</td></tr>
<tr><td>Assistant Vice President, Men's Apparel Sales Department 1</td><td>Wang Cheng Yen</td></tr>
<tr><td>Assistant Vice President, Men's Apparel Sales Department 2</td><td>Chou Chao Yu</td></tr>
<tr><td>Assistant Vice President, Women's Apparel Sales Department 1</td><td>Chou Sung Yu</td></tr>
<tr><td>Assistant Vice President, Women's Apparel Sales Department 2</td><td>Lin Chiu Ching</td></tr>
<tr><td>Assistant Vice President, Women's Apparel Sales Department 3</td><td>Chu Hung Chi</td></tr>
<tr><td>Assistant Vice President, Finance Department</td><td>Liu Tzu Yuan</td></tr>
<tr><td>Assistant Vice President, Finance Department</td><td>Hung Shih Hui</td></tr>
<tr><td>Corporate Governance Officer</td><td>Chen Chien Ming</td></tr>
</table>

Note: The distribution of 2025 employee bonuses was approved by the Board of Directors on March 11, 2026 and will be reported during the 2026 annual general meeting. The employee bonuses have not been distributed as of the date of report. Therefore, the table above lists the proposed amounts.

(V) Compare the percentage of after-tax net profit distributed by the Company and all companies in the consolidated financial statements as remuneration to the Company's directors, president, and vice presidents in the most recent two years, and describe the policy, standard, and composition of remuneration, procedures to determining remuneration, and the connection to business performance and future risks:

1. Analysis of the total amount of remuneration to the Company's directors, president, and vice presidents from the Company and all companies in the consolidated financial statements as a percentage of net profit after tax

Title	Total remuneration as a percentage of net profit after tax (%)			
	2024		2025	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	5.60	5.60	5.50	5.50
President and vice presidents	4.21	4.21	4.31	4.31

Total director's remuneration paid by the Company accounted for a lower percentage of net profit after tax in 2025 compared to 2024. This was mainly due to the Company's net profit after tax in 2025 increasing by 3% compared to the same period last year. Directors' remuneration and business expenses are fixed payments and were not adjusted in 2025, resulting in no significant difference from the same period last year. Total remuneration paid to the president and vice presidents accounted for a higher percentage of net profit after tax in 2025 compared to 2024. This was mainly due to the retirement of Vice President Tsai Shiah Chieh on June 30, 2024, and the promotion of Assistant Vice President Li Jian Ruey to Vice President on April 2, 2025, which resulted in an increase in the remuneration to the president and vice presidents in 2025 compared to the same period last year.

2. Remuneration policies, standards and packages, procedures for determining remuneration, and correlation of remuneration with business performance and future risks

The Company's remuneration of directors includes compensation, distributed remuneration, and business expenses. Pursuant to the Company's Articles of Incorporation and "Regulations for the Remuneration of Directors and Managers," the remuneration of the chairman and directors shall be determined by the Remuneration Committee based on their participation in the Company's operations, the value of their contributions, and prevailing rates in the industry, and then submitted to the Board of Directors for resolution. The Company's Articles of Incorporation also stipulate that if the Company makes a profit, no more than 2% of the annual profit shall be allocated as directors' remuneration. The Remuneration Committee shall recommend the amount to be allocated based on the overall performance of the Board of Directors, the Company's business performance, the performance evaluation results of individual directors, their degree of participation in the Company's operations, the value of their contributions, and prevailing rates in the industry, and then submit it to the Board of Directors for resolution.

The remuneration of the Company's president and vice presidents mainly includes salary, bonus, and employee bonus, in which the salary is mainly determined based on the position held, education (experience), and professional ability, as well as prevailing rates in the industry. Bonuses are awarded based on the manager's business management abilities and the financial and business performance metrics included performance evaluations. The remuneration of the Company's managers is reviewed by the Remuneration Committee and implemented after being discussed and approved by the Board of Directors.

In summary, the Company's remuneration policy for directors, president, and vice presidents and the procedures for determining the amount of remuneration take into account not only the Company's overall business performance, but also the achievement of individual performance targets and contribution to the Company's performance, and are positively correlated with the Company's business performance. Furthermore, we conduct timely reviews of the remuneration system based on the Company's business situation and relevant laws and regulations, in order to achieve the goals of sustainable development and risk management.

III. Implementation of Corporate Governance

(I) Information on operations of the Board of Directors

There were 5 Board meetings in the most recent year (2025), and attendance of directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person (%)	Remarks
Chairman	Li Chiun Liang	5	0	100%	Re-elected on May 28, 2025
Director	Goto Kenji	5	0	100%	Re-elected on May 28, 2025
Director	Li Jian Ruey	3	0	100%	Newly elected in May 28, 2025
Director	Li Dering	4	1	80%	Re-elected on May 28, 2025
Institutional director	Jacksiya Investment Co., Ltd. Representative: Tsai Shih Yung	4	1	80%	Re-elected on May 28, 2025
Institutional director	Descente Ltd. Representative: Miyayama Naoto	3	0	100%	Re-elected on May 28, 2025
	Descente Ltd. Representative: Okuda Naohito	2	0	100%	Appointed Mr. Okuda Naohito as its new representative on June 13, 2025, replacing Mr. Miyayama Naoto.
Director	Li Chiun Mi	0	2	0%	Dismissed after the election on May 28, 2025
Independent Director	Huang Bo Chen	5	0	100%	Re-elected on May 28, 2025
Independent Director	Jan Hung Tu	5	0	100%	Re-elected on May 28, 2025
Independent Director	Chang Huang Chun	3	0	100%	Newly elected in May 28, 2025
Independent Director	Hosonuma Isao	2	0	100%	Dismissed after the election on May 28, 2025

Other disclosures:

I. If any of the following circumstances occurs in operations of the Board of Directors, specify the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: Article 14-3 is not applicable as the Company has established an Audit Committee.

(II) In addition to the aforementioned matters, other board meeting resolutions with independent directors' dissenting and unqualified opinions in records or written statements:None.

II. Specify the name of the director, agenda item, reason for recusal, and participation in voting of directors who recused themselves from agenda items they have a conflict of interest:

Date of board meeting	Director	Content of proposal	Reason for recusal	Participation in voting
2025.03.12	Li Chiun Liang Li Chiun Mi Goto Kenji	Review the proposed distribution of 2024 employee bonuses and directors' remuneration.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act and did not participate in the discussion and voting. The proposal was passed as proposed unanimously after inquiring other directors in attendance.
2025.03.12	Li Chiun Liang Li Chiun Mi Goto Kenji	Proposal to review the 2024 year-end bonuses for the Company's chairman and managers.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act and did not participate in the discussion and voting. The proposal was passed as proposed unanimously after inquiring other directors in attendance.
2025.03.12	Li Chiun Liang Li Chiun Mi	Proposal to lift the non-compete clause for newly appointed directors	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act and did not participate in the discussion and voting. The proposal was passed as proposed unanimously after inquiring other directors in attendance.

Date of board meeting	Director	Content of proposal	Reason for recusal	Participation in voting
2025.05.13	Li Chiun Liang Li Chiun Mi	Review the proposed salary adjustment for managers and the corporate governance officer in 2025	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act and did not participate in the discussion and voting. The proposal was passed as proposed unanimously after inquiring other directors in attendance.
2025.08.12	Li Chiun Liang Li Jian Ruey	Review the proposed salary for the Company's new chairman in 2025	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act.	The director recused himself due to a conflict of interest in accordance with Article 206 of the Company Act and did not participate in the discussion and voting. The proposal was passed as proposed unanimously after inquiring other directors in attendance.

III. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of self (or peer) evaluations conducted by the Board of Directors, and to fill out the implementation status of board evaluations in Table 2:

The Company conducts performance evaluations in accordance with the Regulations Governing Board Performance Evaluations, and submits the results to the Board of Directors. At the end of 2025, the Company conducted the 2025 annual self (or peer) evaluation of the Board of Directors. Each evaluation unit collected information related to the activities of the Board of Directors (functional committees) and distributed the "Board Member Self-Evaluation Questionnaire." Finally, the coordinating unit collected the questionnaires and documented the evaluation results according to the scoring criteria. Performance evaluations for the Board of Directors, individual board members, the Remuneration Committee, and the Audit Committee were completed in January 2026, and results were all "Excellent" or above. There were no major deficiencies requiring improvement. The performance evaluation report was submitted to the Board of Directors on March 11, 2026.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	2025.01.01~2025.12.31	Board of Directors	Board of Directors self-evaluation	1. Participation in company operations. 2. Improving the quality of board decisions. 3. Board composition and structure. 4. Election and continuing education of directors. 5. Internal control.
Once a year	2025.01.01~2025.12.31	Individual board members	Self-evaluation by board members	1. Understanding of the Company's goals and mission. 2. Understanding of directors' duties. 3. Participation in company operations. 4. Maintaining internal relationships and communication. 5. The professional and continuing education of directors. 6. Internal control.
Once a year	2025.01.01~2025.12.31	Remuneration Committee	Self-evaluation by Remuneration Committee members	1. Participation in company operations. 2. Understanding of the duties of the functional committee. 3. Improving the quality of committee decisions. 4. Composition of the Remuneration Committee and member selection. 5. Internal control.
Once a year	2025.01.01~2025.12.31	Audit Committee	Self-evaluation by Audit Committee members	1. Participation in company operations. 2. Understanding of the duties of the functional committee. 3. Improving the quality of committee decisions. 4. Composition of the Audit Committee and member selection. 5. Internal control.

IV. Goals for enhancing Board functions in the current year and most recent year (e.g., establishing an Audit Committee, improving information transparency, etc.) and evaluation of implementation status:

(I) The Company established an Audit Committee on June 6, 2022 to assist the Board of Directors in fulfilling its supervisory responsibilities.

(II) The Company's Board of Directors on May 13, 2025 approved the purchase of directors' liability insurance, and subsequently completed the purchase.

(III) The Company has conducted its 2025 internal performance evaluation for the Board of Directors and submitted it to the Board of Directors on March 11, 2026.

(IV) The duties of the Company's Remuneration Committee include: Establish the policies, systems, standards, and structures for performance evaluation and remuneration of the Company's directors and managers.

(II) Operations of the Audit Committee

The Audit Committee convened 4 meetings in the most recent year (2025), and the attendance of independent directors is as follows:

Title	Name	Attendance in person	Attendance rate (%)	Remarks
Independent Director (Convener)	Huang Bo Chen	4	100%	Re-elected on May 28, 2025
Independent Director	Jan Hung Tu	4	100%	Re-elected on May 28, 2025
Independent Director	Chang Huang Chun	2	100%	Newly elected in May 28, 2025
Independent Director	Hosonuma Isao	2	100%	Dismissed after the election on May 28, 2025

Other disclosures:

I. Where any of the following circumstances occurs with respect to the operations of the Audit Committee, the date, session, details of the motions, the resolutions from the Audit Committee, and the Company's measures in accordance with the Audit Committee's recommendations, shall be specified.

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

Date of Audit Committee meeting	Content of proposal	Resolutions of the Audit Committee	The Company's handling of Audit Committee members' opinions
2025.03.12	1. Passed the 2024 financial statements, business report, and earnings distribution.	Passed unanimously as proposed	None, submitted to the Company's Board of Directors and passed
	2. Passed the proposal to change CPAs in 2025.		
	3. Passed the assessment of accountant independence and competence and the appointment of CPAs in 2025.		
	4. The 2024 "Internal Control		

	Effectiveness Evaluation" and "Statement on Internal Control."		
2025.05.13	Passed the 2025 Q1 financial statements.	Passed unanimously as proposed	None, submitted to the Company's Board of Directors and passed
2025.08.12	1. Passed the 2025 Q2 financial statements. 2. Passed the retirement of the chief financial officer and chief accounting officer and the appointment of their successors.	Passed unanimously as proposed	None, submitted to the Company's Board of Directors and passed
2025.11.12	1. Passed the 2025 Q3 financial statements. 2. Proposal to amend the "payroll cycle" in the internal control system. 3. Passed the 2026 internal audit plan.	Passed unanimously as proposed	None, submitted to the Company's Board of Directors and passed

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors:None.

II. Regarding the recusal of independent directors due to conflict of interest, the name of the independent directors, agenda item, reasons for recusal, and the participation in voting shall be clearly stated: None.

III. Communications between independent directors and the chief internal auditor and the CPAs (including communications regarding important matters with respect to the Company's financial position and business performance, methods, and results)

(I) Summary of regular communication between independent directors and the chief internal auditor in 2025:

Date	Meeting	Attendees	Main Points of Communication	Results
2025/11/12	Communication	All	Report on internal	Acknowledged,

	meetings between independent directors and the chief internal auditor	independent directors Chief internal auditor	audit work performed between August and October 2025.	no further suggestions
2025/08/12	Communication meetings between independent directors and the chief internal auditor	All independent directors Chief internal auditor	Report on internal audit work performed between May and July 2025.	Acknowledged, no further suggestions
2025/05/13	Communication meetings between independent directors and the chief internal auditor	All independent directors Chief internal auditor	Report on internal audit work performed between March and April 2025.	Acknowledged, no further suggestions
2025/03/12	Communication meetings between independent directors and the chief internal auditor	All independent directors Chief internal auditor	1.Report on internal audit work performed between November 2024 and February 2025. 2.Report on the 2024 performance evaluation of functional committees. 3.Report on the 2024 "Internal Control Effectiveness Evaluation" and "Statement on Internal Control."	Acknowledged, no further suggestions

The chief internal auditor communicates with independent directors through internal audit reports each month, and reports regularly before each audit committee meeting. In case of special circumstances, the chief internal auditor will immediately report to Audit Committee members. There were no special circumstances as of the date of report. The Company's Audit Committee and chief internal auditor have achieved good communication.

(II) Summary of regular communication meetings between independent directors and CPAs in 2025:

Date	Meeting	Attendees	Main Points of Communication	Results

2025/03/12	Communication meeting between the corporate governance unit and CPAs	All independent directors CPAs	1.The CPAs provided an explanation of the audit of the Company's 2024 financial statements. 2.The CPAs discussed and communicated issues raised by attendees of the meeting. 3.Important accounting standards or interpretations, and updates on securities and tax regulations and laws.	Acknowledged, no further suggestions

Matters of communication between the Company's CPAs and Audit Committee include explanation of the audit of the current year's financial statements and the impact of amendments to the law on the Company. If there are any special circumstances, the CPAs will immediately notify the Audit Committee. There were no special circumstances as of the date of report. The Company's Audit Committee and CPAs have achieved good communication.

(III) Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company established Corporate Governance Best Practice Principles to protect the rights and interests of shareholders, strengthen board functions, respect the rights and interests of stakeholders, and increase information transparency. For the Company's Corporate Governance Best Practice Principles, please visit the Company's website (http://www.munsin.com.tw).	No material deviation
II. Shareholding structure and shareholders' equity (I) Has the company established internal operating procedures for handling shareholder suggestions, questions, complaints or litigation, and handled related matters accordingly?	V		(I) The Company has dedicated stock affairs personnel for handling shareholder suggestions or disputes, and they work closely with the stock affairs agents to address issues concerning shareholder rights and interests.	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) Does the company have a list of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders?	V		(II) The Company investigates and reports on changes in the shareholdings of insiders (directors and their related parties) on a monthly basis in accordance with Article 25 of the Securities and Exchange Act. At the same time, we maintain a list of ultimate controllers by interacting with major shareholders.	No material deviation
(III) Has the company established and implemented risk management and firewall systems within its conglomerate structure?	V		(III) The Company's internal controls include risk management at the corporate level and operating activities at the operations level. The Company established the Procedures for Supervision and Management of Subsidiaries to implement mechanisms for managing the risks of subsidiaries. The Company has established Procedures for Lending Funds to Others, Regulations for Endorsements and Guarantees, Procedures for Supervision and Management of Subsidiaries, Procedures for Management of Related Party Transactions, and Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises and Specific Companies as the basis for	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			handling financial and business transactions with affiliated enterprises. The procedures and regulations are regularly revised in accordance with laws and regulations announced by government agencies to ensure they are in line with current practices.	
(IV) Does the company have internal regulations in place to prevent insiders from trading securities based on information not yet disclosed to the market?	V		(IV) The Company has established Regulations for the Prevention of Insider Trading and Corporate Governance Best Practice Principles for internal control, and conducts regular audits to prevent illegal conduct.	No material deviation
III. Composition and duties of the board of directors (I) Has the Board of Directors established and implemented the diversity policy and concrete management objectives?	V		(I) The Company's Board of Directors consists of 9 members with professional knowledge and skills related to the industry, finance, management and law. Board members possess the knowledge and skills necessary to perform their duties, and provide information and advice based on their expertise with the goal of achieving the Company's sustainable	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			development. The Board Diversity Policy is disclosed on the Company's website and the Market Observation Post System.	
(II) Has the company voluntarily established other functional committees in addition to the Remuneration Committee and Audit Committee?	V		(II) The Company's Board of Directors on November 29, 2011 approved the establishment of the Remuneration Committee, which is formed by three independent directors and convenes regular meetings to review relevant proposals. The Audit Committee was established on June 6, 2022 and consists of three independent directors. The committee holds regular meetings to review relevant proposals. The Company will establish a Sustainable Development Committee in 2026.	No material deviation
(III) Has the company established standards and methods for evaluating Board performance, conducted annual performance evaluations, submitted performance evaluation results to the Board, and used the results as a basis for determining the remuneration and	V		(III) The Company's Board of Directors on August 12, 2020 passed the Regulations Governing Board Performance Evaluations to implement corporate governance and enhance functions of the Board of Directors, improving the efficiency of the Board of Directors. Annual performance evaluations are conducted at the end of	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
nomination of individual directors?			each year. The scope of the Company's Board performance self-evaluation includes: 1. Participation in company operations. 2. Improving the quality of board decisions. 3. Board composition and structure. 4. Election and continuing education of directors. 5. Internal control. The 2025 Board performance evaluation was conducted through a self-evaluation by Board members at the beginning of 2026, and the evaluation results were reported at the 4th meeting of the 17th-term Board of Directors on March 11, 2026. Based on results of the 2025 Board performance evaluation, results, the Company's Board of Directors is functioning properly.	
(IV) Does the company regularly evaluate the independence of its CPAs?	V		(IV) The Company conducts annual evaluations of the independence and competence of its CPAs. The CPAs issue a statement of independence for the audits they are entrusted to perform. The Company evaluates the independence and competence of CPAs according to	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			the following independence evaluation criteria and the 13 audit quality indicators (AQIs) in 5 aspects. 1. The CPAs and auditors do not have a direct or material financial interest in the Company or its affiliated enterprises. 2. The CPAs and auditors do not have a business relationship with the Company's directors or managers that will affect their independence. 3. The CPAs and auditors have not borrowed any money from the Company or its affiliated enterprises. 4. The CPAs or their spouse and minor children have not invested in or share financial interests with the Company or its affiliated enterprises. 5. The proportion of non-audit services provided by the firm to the Company does not affect its independence. 6. The CPAs do not perform routine work and receive a fixed salary from the Company or its	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			affiliated enterprises. 7. The firm is not involved in the management functions of decision-making for the Company or its affiliated enterprises. 8. The CPAs and auditors have not served as a director, manager, or held a position with significant influence on the Company's audit cases currently or within the last two years. 9. The years of audit services provided by the firm to the Company does not affect its independence. 10. As of the most recent certification, there has been no case of not changing CPAs for seven years. 11. The CPAs and auditors did not accept any gifts of significant value from the Company or its directors or managers. 12. The CPAs are not the spouse, lineal blood relative, lineal affinity, or collateral blood relatives within second degree with the Company's managers. Based on information on the AQIs, CPAs and	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>accounting firm have been verified to have sufficient auditing experience and training hours, and continue to introduce digital audit tools to improve audit quality. The evaluation result last year was approved by the Audit Committee on March 12, 2025, and the evaluation of the CPAs ' independence and competence was reported to and passed by the Board of Directors on the same day.</td><td></td></tr>
<tr><td>IV. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for</td><td>V</td><td></td><td>The Board of Directors on May 10, 2023 approved the appointment of the corporate governance officer. Matters related to corporate governance are handled by the corporate governance officer, Management Department, and internal audit unit.
The status of operations in 2025 is as follows:
1. Assisted independent directors and directors in performing their duties, provided necessary information, and arranged continuing education for directors: (1) Provided Board members with the latest amendments to laws and regulations related to the Company's business</td><td>No material deviation</td></tr>
</table>

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
Board meetings and shareholders' meetings)?			and corporate government upon appointment, and regularly provided them with updates. (2) Reviewed the confidentiality level of relevant information, provided the information required by the directors, and maintained smooth communication between the directors and managers. (3) Assisted in arranging meetings if independent directors need to meet with the chief internal auditor or CPAs to understand the Company's business needs in accordance with the Corporate Governance Best Practice Principles. (4) Assisted in arranging continuing education plans and courses for directors each year based on the Company's industry characteristics and directors' education and experience. 2. Assisted in the compliance of proceedings and resolutions of Board meetings and shareholders' meetings: (1) Reported the status of corporate governance to the Board of Directors and independent directors, and verified whether the Company's	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			shareholders' meetings and board meetings are convened in accordance with relevant laws and the Corporate Governance Best Practice Principles. (2) Assisted and reminded directors of the regulations they must comply with when performing their duties or adopting formal board resolutions, and made recommendations when the Board is about to adopt an illegal resolution. (3) Responsible for reviewing material information or announcements of important resolutions of board meetings, ensuring the compliance and correctness of material information, and ensuring the symmetry of trading information for investors. 3. Notified directors of the agenda of Board meetings 7 days in advance, convened meetings, and provided meeting materials. Reminded directors of agenda items they have a conflict of interest in, and completed Board meeting minutes within 20 days after a meeting. 4. Registered the date of the shareholders' meeting in advance according to law, prepared the notice of	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			meeting, meeting handbook, and meeting minutes within the legal time limit, and changed the registration after amendments to the Articles of Incorporation or election of directors.	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), a stakeholder section on the company website, and properly responded to important CSR issues of concern to stakeholders?	V		The Company's official website (http://www.munsin.com.tw) has a "Stakeholders Section" for investors to submit feedback. Furthermore, relevant departments answer questions from external stakeholders regarding business management and operations.	No material deviation
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	V		The Company has appointed the Registrar Transfer Department of Grand Fortune Securities Co., Ltd. to handle the matters of its shareholders' meetings.	No material deviation
VII. Information Disclosure (I) Has the company established a website to disclose information regarding the company's financial position, business performance, and corporate governance?	V		(I) The Company discloses relevant information on the Market Observation Post System and has set up a company website (http://www.munsin.com.tw) to disclose and update information on its financial	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			position, business performance, and corporate governance for access by shareholders and the general public.	
(II) Does the company have other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	V		(II) The Company has a spokesperson and acting spokesperson. All material information is announced to the public through the spokesperson. Links to videos of investor conferences are available on the company website.	No material deviation
(III) Does the company announce and report annual financial statements within two months 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?	V		(III) The Company announces and reports annual financial statements, quarterly financial statements, and monthly operation results in accordance with regulations: 1. The Company announces and reports annual financial statements within three months after the end of each fiscal year. 2. The Company announces and reports Q1, Q2, and Q3 financial statements within 45 days after the end of each quarter.	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			3. The Company announces and reports on operations in the previous month before the 10th of each month.	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(I) Employee rights: The Company has formulated relevant systems in accordance with laws and regulations to protect the rights and interests of employees. (II) Employee care: The Company has an Employee Welfare Committee that provides various subsidies and care for employees, such as subsidies for external courses, disability and illness subsidies, employee travel subsidies. (III) Investor relations: The Company has a spokesperson and works closely with stock transfer agencies to handle various services for investors and make public statements. (IV) Supplier relations: The Company maintains good relationships with all suppliers, and all operations are normal.	No material deviation

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			(V) Stakeholders' rights: The Company discloses information that is required to be disclosed to the public on the Market Observation Post System in accordance with the law, so that stakeholders can understand the Company's situation and protect their rights and interests. The Company has appointed a spokesperson and acting spokesperson for stakeholders to communicate with and offer suggestions to at any time, so as to safeguard their lawful rights and interests. (VI) Continuing education of directors: All of the Company's directors have completed the required hours of continuing education. (VII) Attendance in Board meetings by directors meet regulatory requirements, and important resolutions are listed in the annual report. (VIII) Implementation of risk management policies and risk measurement standards: The Company's internal auditing unit regularly audits the internal	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			control system and related issues, and reports the results to the president and independent directors to reduce the risk of loss. In addition, to protect the rights and interests of shareholders, the Company has established the Procedures for Lending Funds to Others, Regulations for Endorsements and Guarantees, Procedures for the Acquisition or Disposal of Assets, Procedures for Supervision and Management of Subsidiaries, Procedures for Management of Related Party Transactions, and Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises and Specific Companies for risk management purposes. (IX) Liability insurance purchased by the Company for directors: The Company's "Rules for Authorization and Substitutes" stipulate that major business decisions must be approved by the Board of Directors before being carried out. The Company has purchased liability insurance for directors in	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies. (X) Customer policy implementation: The Company's main business is department store counter sales. We regularly organize training courses every year to teach counter staff professional knowledge and establish a customer-centric service philosophy. The Company has been in the business for over forty decades, and protecting customers' rights and interests is always the top priority when serving new and old customers. (XI) No directors engage in any transactions that have a conflict of interest with the Company. Directors are also required to recuse themselves when they have a conflict of interest with an agenda item. As a publicly traded company, integrity is the foundation of our business. We attach importance to the rights and interests of shareholders, and aim to prevent	

Assessment item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			any losses to their investments in the open market. As a member of society, fulfilling social responsibility is also the Company's mission.	

IX. Please describe the improvements made in the most recent year in response to the results of the corporate governance evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priorities and measures for items yet to be improved. (Not required for companies not included in the evaluation)

The Company has made the following improvements based on the results of the Corporate Governance Evaluation, and proposed the following priorities and measures for improvement:

(I) The Company has used electronic voting for agenda items during shareholders' meeting since 2018.

(II) The Company urges directors to complete the required hours of continuing education in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

(III) The company website provides the latest information on shareholders' meetings, including meeting notices, annual reports, handbook, and minutes.

(IV) The Company began live streaming shareholders' meetings in 2023.

(IV) Composition, duties, and operations of the Remuneration Committee

The Company's Remuneration Committee consists of three independent directors. Pursuant to Article 7 of the Company's "Remuneration Committee Charter," the scope of duties is as follows: 1. Regularly review the Charter and recommend amendments. 2. Establish and regularly review the performance evaluation standards for the Company's directors and managers, annual and long-term performance goals, and the remuneration policy, system, standards, and structure. 3. Regularly evaluate the achievement of the Company's performance targets for directors and managers, and determine the contents and amounts of their individual remuneration based on results of the performance evaluation.

1. Information on Remuneration Committee members

Position	Name / Criteria	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director (Convener)	Huang Bo Chen	1. Person in charge of Board Accounting Network 2. Institute of Accounting, National Chengchi University 3. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company 4. Has work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company 5. Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Compliant	None

Position	Name	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director	Jan Hung Tu	1.Chairman, Shin Shin Co., Ltd. 2.President, Taichung Zizhi Lions Club 3.EMBA, Department of Business Administration, Ling Tung University 4.Has work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company 5.Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Compliant	None
Independent Director	Chang Huang Chun	1.Chairman, Nice Match International Co., Ltd. 2.Chairman, Ninoriva International Trading Co., Ltd. 3.Department of English, Tamkang University 4.Has at least 5 years of work experience and the practical experience required for the Company's business 5.Has work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company 6.Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Compliant	None

Note: All independent directors meet the independence criteria:

1. Compliant with Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, and relatives within the second degree of kinship (or held under others' names), in an aggregate amount of 1% or more of the Company's total outstanding shares or ranks as one of its top ten shareholders.
3. Not a spouse or a relative within the second degree of kinship to any other director of the Company.

2. Operations of the Remuneration Committee

(1) There are 3 members in the Company's Remuneration Committee.

(2) Term of the current members: From May 28, 2025 to May 27, 2028. In the most recent year (2025), the Remuneration Committee met 4 times, and the members' qualifications and attendance are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener (Independent Director)	Huang Bo Chen	4	0	100%	Re-elected on May 28, 2025
Committee member (Independent Director)	Jan Hung Tu	4	0	100%	Re-elected on May 28, 2025
Committee member (Independent Director)	Chang Huang Chun	2	0	100%	Newly elected in May 28, 2025
Committee member (Independent Director)	Hosonuma Isao	2	0	100%	Dismissed after the election on May 28, 2025

The responsibilities of the committee are to assess the remuneration policy and system for the Company's directors and managers in a professional and objective manner, and make recommendations for reference when the Board of Directors is making decisions.

(3) Agenda items of the Remuneration Committee in 2025

Date	Major agenda items
2025.03.12	1. Proposal to review the 2024 year-end bonuses for the Company's chairman and managers. 2. Review the proposed distribution of 2024 employee bonuses for managers and directors' remuneration.
2025.05.13	Review the proposed salary adjustment for managers and the corporate governance officer.
2025.08.12	1. Review the proposed salary for the Company's new chairman in 2025.

Date	Major agenda items
	2. Review the proposed salaries for the successors of the chief financial officer and chief accounting officer upon their retirement.
2025.11.12	1. Review the Company's Remuneration Committee Charter. 2. Review the Company's director and manager performance evaluations and remuneration policies, systems, standards, and structures.

Note 1: If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members:None.

Note 2: If the Board of Directors does not accept or revises the Remuneration Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinions: None.

(V) Implementation status of sustainable development and deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established a governance framework and a fully (or partially) dedicated department to promote sustainable development? Does the Board of Directors authorize and supervise senior managers in handling such matters?	V		1. The Company arranges for internal personnel to receive guidance and assistance from external ESG sustainability assurance units, and has established a sustainable development governance structure. 2. The Company's Board of Directors is responsible for overseeing the disclosure policies and procedures for sustainability information, while the Management Department is responsible for proposing and implementing sustainability policies and systems to ensure the timely disclosure and accuracy of sustainability information. The Management Department and senior managers of each business unit are designated to work together in supervising and reviewing the relevant work plans and results, and to regularly summarize relevant information for the chairman to report the situation to directors during board meetings.	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
II. Does the company assess the risk of environmental, social, and corporate governance issues relevant to its business activities and formulate risk management policies and strategies accordingly?	V		1. The Company has established a "Corporate Social Responsibility Policy," which includes the management policies and strategies for main risks. For example: the risk assessments for operations, information security, environment, society, labor, and corporate governance are designed and implemented in all regulations and internal control systems. 2. Risk policies are reviewed whenever there are changes in the external environment.	No material deviation
III. Environmental issues (I) Has the company established a suitable environmental management system based on the characteristics of the industry?	V		(I) The Company is in the import and retail industry, not manufacturing, therefore ISO 14001 is not applicable. In terms of waste recycling and disposal, we comply with environmental management systems and environmental protection laws and regulations, review implementation results whenever appropriate, and continue to make improvements.	No material deviation
(II) Is the company committed to improving energy	V		(II) The Company mainly imports products as an agent, which	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
efficiency and using recycled materials that have a low impact on the environment?			does not involve pollutant and waste discharge. In addition, we continue to improve the efficiency of resource use, reduce the use of disposable products, and encourage employees to bring their own cups and reusable tableware. Used toner cartridges from photocopiers and printers are recycled and disposed of by the original manufacturer.	
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	V		(III) The Company pays attention to the impact of climate change and supports the government policy to use electronic invoices, aiming to reduce paper consumption by using electronic documents. In addition, the temperature of air conditioning in offices is set at 26 degrees Celsius during the summer, and energy efficient LED T5 lamps are used for lighting to reduce energy consumption.	No material deviation
(IV) Has the company compiled statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and has it	V		(IV) The Company has established a complete process from classification, storage, clearance, and reporting in accordance with waste management policies and	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
established policies for greenhouse gas emission reduction, water use reduction, or other waste management?			regulations to implement environmental protection and improve overall environmental performance. We also regularly inspect water and drainage facilities to ensure their normal operation and prevent leaks. The Company promotes energy-saving policies, such as turning off lights and air conditioning when not in use, to improve the efficiency of resource use, including the effective use of resources such as paper, water, electricity, and batteries, and the emphasis on resource recycling to minimize the impact on the environment.	
IV. Social issues (I) Has the company formulated management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		(I) The Company has formulated human rights policies in accordance with labor laws and regulations and in accordance with basic internationally recognized labor rights principles to protect the legitimate rights and interests of employees, implement female empowerment in the workplace, gender equality and diversified employment, and allocate funds for retirement. The	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) Has the company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	V		Company has established an Employee Welfare Committee to handle various welfare matters, as well as related EHS policies and management. (II) The Company's employee salaries and benefits are as follows: 1. Employee salary: The Company's year-end bonus system is based on the Company's profits each year, the seniority and performance evaluation of employees, and is distributed to all employees as an incentive to jointly work towards the Company's targets. Employee bonuses are calculated in accordance with the Company's Articles of Incorporation, and shall not be less than 2% to 4% of the Company's profit for the year. 2. Employee benefits: (1) The Company has established an Employee Welfare Committee and allocates more than NT$1 million to the employee welfare fund each year. For	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			example: employee travel subsidies, birthday bonus, marriage allowance, childbirth allowance, and funeral allowance. (2) In terms of the leave system, the Company grants employees who have worked for a full year seven days of special leave per year on a fixed two-day weekend (those who have worked for less than a year are granted leave proportionally) using the calendar year system in accordance with the Labor Standards Act. When employees need to take a longer period of leave for childcare, severe illness or disease, or major incidents, they can apply for unpaid leave to meet their individual and family care needs. 3. Diversity and equality in workplace: The Company has achieved equal pay for equal work and equal opportunities for promotion for men and women, and maintains more than 49% of managers are female, thus	

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			promoting sustainable and inclusive economic growth. Female employees on average accounted 88% of all employees, and female managers accounted for 49% of all managers in 2025. The Company attaches importance to employee rights and benefits, shares profits with employees, and maintains a positive work environment to provide holistic care for the mind and body: (1) We aim to employ 100% of the quota for people with disabilities, and tailor suitable job positions and facilities to their individual needs. (2) Create a friendly workplace environment for women empowerment, so that employees of all genders can work with peace of mind. 4. Business performance is reflected in employee salaries: The Company participates in market salary surveys each year, and adjusts salaries based on market standards, economic trends, and individual	

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			performance, in order to maintain the overall competitiveness of our salaries.	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	V		(III) The Company's occupational safety and health policies and working environment are described below: 1. Occupational health and safety policies: The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of our customers and related organizations, and respects the occupational safety and health requirements of relevant stakeholders in order to create a healthy and happy workplace. The Company uses suitable management tools, mature technologies, and available resources based on the concept of disaster prevention and mitigation, and integrates occupational safety issues within the Company to propose effective response measures. We continue to improve and promote the occupational safety culture, strengthen personnel protection	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			management, and invest resources to enhance occupational disease prevention, in order to create a zero-disaster environment. 2. Work environment: The Company regularly reviews improvement measures for occupational safety, revises various inspection items, reiterates the Company's safety and life-saving clauses, and has supervisors pay attention to the physical and mental well-being of employees, ensuring their safety during work hours. The Company's hardware equipment, such as elevators, fire safety facilities, and air conditioners, are all regularly inspected by contracted vendors. In addition, the Company established sexual harassment prevention measures and management regulations in accordance with the law to protect the personal safety of employees. Fire safety and first aid training courses are arranged each year to teach employees the correct	

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			concepts of safety and physical and mental health. 3. The Company has 696 employees as of December 31, 2025, and there were 0 occupational accidents in 2025. 4. There were no injuries or deaths caused by fire accidents at the Company in 2025. The Company conducts annual fire safety management personnel training, annual self-defense fire safety drills and submits them for review, annual company-wide fire safety inspection and report, 2 fire safety drills, regular fire safety equipment maintenance, replacement of fire extinguishers every three years, and sets up warning signs in the workplace.	
(IV) Has the company established an effective career development plan for its employees?	V		(IV) The Company has planned complete professional training for managers and employees, including new employee training, advanced professional training, and manager training, helping employees to continue learning and grow through diverse learning methods. The Company also developed training courses that introduce business ethics	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			and cultivate employees' key competencies. In 2025, a total of 687 people received 522 hours of career training. During the annual performance review, managers and employees discuss and set individual annual competency development plans together. The regular reviews and feedback enable managers to help employees tailor the best development plan for themselves.	
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	V		(V) The Company has established clear internal controls and related regulations for R&D, procurement, production, operations, and services, in order to protect consumer rights. Regarding customer privacy, we maintain confidentiality operations in accordance with the "Personal Data Protection Act." All product labeling complies with regulations of the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, including the "Safety of Textiles" for fabrics and "provisions on label washing in the Labeling Criteria for Textiles." The Company accepts reports through its	No material deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			toll-free 0800 number, e-mails directly sent to the Company, or e-mails to munsin@ms7.hinet.net.	
(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	V		(VI) The Company regularly engages in supplier management, which includes requiring suppliers' process environment to comply with local requirements regarding labor rights, health, safety, and environmental protection. The Company signs cooperation agreements with major suppliers, and will terminate or cancel the agreement in the event of a serious violation of corporate social responsibility. The Company makes a commitment in the contracts to jointly improve corporate social responsibility together with suppliers.	No material deviation
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?		V	(I) The Company plans to prepare and publish its 2024 sustainability report in 2025 in accordance with the Global Reporting Initiative (GRI) Guidelines. (II) The Company has not yet obtained third-party assurance or guarantees.	No material deviation. The Company will obtain assurance or guarantee as needed or in accordance with the law.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
VI. If the company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation: The Company's Board of Directors approved the "Corporate Social Responsibility Best Practice Principles" on May 19, 2011, and disclosed it on the company website and Market Observation Post System. The principles were subsequently renamed the "Sustainable Development Best Practice Principles," and the Company plans to prepare and publish a "Sustainability Report" in accordance with regulations starting in 2025.				
VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: (I) The Company is not only committed to business development and pursuing shareholder interests, but also protects consumer rights and participates public welfare. For example: ◎ In 2006, the Company participated in social service activities organized by Huashan Social Welfare Foundation and assisted the Taiwan Rotary Clubs Association in organizing corporate visits. ◎ In 2007, the Company participated in the "Summer Energy Saving Movement - Corporate Group Signing Event" organized by the Ministry of Economic Affairs, and assisted the Council of Agriculture in organizing the "Farmers' Association CEO (FACEO) Camp" corporate visit activity. ◎ In 2008, the Company participated in the "My Acre of Farmland - Corporate Rice Paddy Adoption Event" organized by the Council of Agriculture, and also participated in the post-earthquake reconstruction donation event for Wenchuan, Sichuan, China. ◎ In 2009, the Company participated in the donation event for reconstruction after Typhoon Morakot in Taiwan. ◎ In 2011, the Company participated in donation event for post-earthquake reconstruction in the Tohoku region of Japan, and participated in				

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
public welfare activities of the United Way of Taiwan. ◎ In 2013, the Company participated in an event organized by the Ministry of Economic Affairs to make timely price adjustments for imported goods in response to the depreciation of the Japanese yen, and also participated in the "Happiness Train - Spreading Love" charity event organized by KPMG International Cooperative. ◎ In 2014, the Company participated in the "Happiness, Dreams, Love Take Flight" charity event organized by KPMG International Cooperative. ◎ In 2017, the Company participated in the "Lighting Up Hope, Letting Love Fly" charity event organized by KPMG International Cooperative. ◎ In 2019, the Company organized the Munsin Cup Golf Tournament for Public Welfare. ◎ In 2020, the Company participated in the "Love, Old Clothes Recycling" charity event at Xiangyu Center for the Intellectually Disabled. ◎ In 2021, the Company jointly organized the "Taiwan-Japan Friendship, Heartfelt Gratitude" charity event with the Red Cross Society of the Republic of China to donate to Japan for emergency relief. In addition, the Company also participated in a Mother's Day breast cancer charity donation event. ◎ In 2024, the Company participated in the "Love, Old Clothes Recycling" charity event at Xiangyu Center for the Intellectually Disabled. (II) The Company cooperates with government investigative agencies, such as the Intellectual Property Rights Police, National Police Agency, Ministry of the Interior, in cracking down on counterfeit goods. The Company has stepped up efforts to prevent the brands it is an agent for from being counterfeited by dishonest vendors, which could lead to market price chaos and damage consumer rights.				

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">(III) We collaborate with relevant departments of domestic colleges and universities to provide students with summer work and internship opportunities, such as the Accessories Design and Retailing Department of Fu Jen Catholic University and the Department of Fashion Design of Shu-Te University.
(IV) In terms of fabric product use, the Company complies with regulations of the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, including the "Safety of Textiles" for fabrics and "provisions on label washing in the Labeling Criteria for Textiles." SGS Taiwan tests color fastness to washing in accordance with CNS, and all products met regulatory standards.</td></tr>
</table>

(VI) Climate-related Information of TWSE/TPEx Listed Companies

1. Implementation status of climate-related information

Item	Implementation status
1. Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	(I) In response to the growing impact of climate change on business operations, the composition of the Company's Board of Directors takes into account the importance of professional knowledge in sustainability. Going forward, in addition to considering professional abilities in business management practices, financial management, accounting, law, and corporate governance, the practical experience, knowledge, and skills of independent director candidates in climate change-related issues will also be considered. (II) The Company's Board of Directors is responsible for overseeing the sustainability information disclosure policies and procedures, approving the content of the sustainability report prepared each year, integrating sustainability into the Company's operations and development direction, and ensuring the timely disclosure of accurate sustainability information. The Company has established a sustainable development unit, led by the chairman. The president sets sustainability targets for the Company's effective operation, and task forces for various functions are formed under the sustainable development unit. The Management Department and senior managers of business units work together to identify sustainability issues of concern to the Company's operations and stakeholders; determine response strategies and tasks based on the principle of materiality; form organizations and plans for implementation; and understand the implementation results. The heads of relevant departments are responsible for promoting and implementing "corporate governance, sustainable environment, employee care, social participation, and customer

<table>
<tr>
<td></td>
<td>care," effectively integrating resources into daily operations, and regularly reporting to the Board of Directors.
(III) The Board of Directors is the highest decision-making and oversight body for climate risk management. The Company will continue to establish relevant management systems and standards to strengthen climate-related risk management. The sustainable development unit is responsible for supervising the effectiveness of these systems and standards, and regularly reports to the Audit Committee and the Board of Directors on the objectives, planning and implementation of climate-related risk management. This will help the Board of Directors track implementation progress, provide the feasibility of strategies or other suggestions, and urge relevant units to evaluate and make adjustments to their plans.</td>
</tr>
<tr>
<td>2. Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).
3. Describe the impact of extreme weather events and transition actions on the Company's financial position.</td>
<td>(I) The Company has identified the impacts of climate risks and opportunities on the Company's business performance, strategies, and financial performance (short-term, medium-term, and long-term), and summarized them in the table below.
(II) The financial impact of extreme weather events and transition actions on the Company's financial position is listed under response plan in the table below.
<table>
<tr><th>Type of risk</th><th>Aspect of risk</th><th>Content</th><th>Duration of impact</th><th>The impact of risks on the Company's strategies, business performance, and financial position</th><th>Response strategies and plans</th><th>Financial impact of response plan</th><th>Results and performance</th></tr>
<tr><td>Physical risks</td><td>Immediate</td><td>The severity of extreme weather events, such as typhoons and floods, increases</td><td>Short-term (1-3 years)</td><td>The higher probability of extreme weather events could lead to power outages, transportation disruptions, operations and supply disruptions, and impact employees' lives. If a typhoon is estimated to result in one day off, it will cause revenue</td><td>Initiate prevention mechanisms to avoid being affected by natural disasters: Such as purchasing insurance, inspecting relevant equipment, and training the response of personnel</td><td>● Disaster response training for employees will increase training costs by approximately NT$30 thousand.
● The cost of disaster-related</td><td>● The Company purchases insurance for products to transfer the risk of cargo damage in response to the potential impact of natural disasters on</td></tr>
</table>
</td>
</tr>
</table>

					to decrease by approximately NT$3,000 thousand.	to mitigate the impact of natural disasters.	insurance is approximately NT$410 thousand. ● Purchasing related equipment will increase equipment costs by approximately NT$300 thousand.	operations. The insured amount for products was approximately NT$520 thousand in 2025. ● In 2025, the Company spent approximately NT$75.5 thousand reinforcing equipment and approximately NT$26.5 thousand restoring the damage caused by typhoons, so as to prevent financial losses caused by equipment damage.
		Long-term	Average temperature rise	Medium-term (3-5 years)	Due to the increase in the number of days with extreme high temperatures, significant temperature changes have affected consumers' preferences and needs when choosing clothing. We are committed to finding functional fabrics, such as moisture-wicking fabrics, to meet the market's needs. Result in higher development and procurement costs.	Gain an in-depth understanding of consumer needs and develop products that adapt to climate change, such as UVA protection and cooling products.	Launching products that meet market needs will increase development costs in the short term. However, once a product is successfully developed and launched, it will drive an increase in sales revenue and further boost the Company's overall revenue.	As of 2025, the Company has successfully launched 64 UVA protection and cooling products with an operating revenue of approximately NT$128,751 thousand.

Opportunity type	Opportunity details	Duration of impact	The impact of opportunities on the Company's strategies, business, and financial position	Response strategies and plans	Financial impact of response plan	Results and performance
Consumer preferences and products	Increase the supply of low-carbon goods and services to replace existing products and services.	Long-term (5-10 years)	Rising environmental protection awareness has pushed consumers towards low-carbon or eco-friendly products. The Company will be able to increase revenue if it can respond to consumer behavior and supplier strategies by encouraging suppliers to adopt new technologies and equipment, increase the supply of low-carbon or eco-friendly products, and also collaborate with raw materials suppliers to choose recycled/organic fabrics for making low-carbon products. This will enable the Company to meet market demand for low-carbon products and steadily respond to the trend of sustainable consumption.	● Require vendors to comply with environmental protection guidelines. For example, such as reducing wastewater and air pollution emissions, can directly reduce their negative impact on the environment. These measures complement the use of low-carbon products, which typically generate less carbon emissions during production and use. ● We will request that suppliers provide their establishment registration, wastewater discharge, and air pollution emission permits to ensure that they meet environmental protection standards, minimizing carbon dioxide emissions at every stage of the product lifecycle from raw material acquisition, production, use, to waste disposal. ● We work closely with raw material suppliers to	Low-carbon or eco-friendly products that successfully attract consumers will increase the Company's revenue.	In 2025, the sales of low-carbon products accounted for 6.7% of the Company's total sales. Going forward, we will continue our efforts to reduce carbon emissions and protect the environment.

					explore the development direction of new raw materials.		
	Product and packaging materials recycling	Promote the use of recycled materials at the source and attach importance to the circular benefits of transportation and end products	Long-term (5-10 years)	Adopting the circular economy model can improve the Company's image of being friendly to the environment, and optimizing the transportation process can reduce resource waste. Although the initial investment might be relatively high, leading to higher costs and lower profits, reducing energy and resource consumption will significantly reduce operating costs in the long run.	● Recycle cardboard boxes used to transport raw materials and reuse them in product packaging. ● Reuse cardboard boxes, paper tubes, and rubber tubes used as inter-plant packaging materials, utilize the advantages of vertical integration to implement recycling and reuse of packaging materials, reduce resource consumption, and reduce business waste generation.	Recycling cardboard boxes requires collection, sorting, and storage, but currently does not incur additional operating costs.	The Company actively recycles cardboard boxes used for transporting raw materials and reuses them for product packaging. The Company recycled 100% of the cardboard boxes used to transport raw materials in 2025, achieving carbon reduction and energy reuse.
	Improve logistics and transportation efficiency	The use of efficient distribution processes reduces energy use and emissions	Long-term (5-10 years)	Avoiding the costs and waste of human resources caused by repeated transportation and using highly efficient production and distribution processes can significantly reduce energy consumption, reduce carbon emissions, and also reduce logistics and transportation expenses.	Improve logistics management, reduce the number of shipments, and lower carbon emissions from transportation.	Reducing the number of shipments can reduce the number of trips, but increases the volume of goods transported each trip, so larger vehicles or more resources will be needed for transportation, thus increasing transportation costs.	The Company completed improvements to its transportation process in 2025, successfully reducing the number of shipments and significantly reduced carbon emissions during transportation.

<table>
<tr>
<td>4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.</td>
<td>The Company's Board of Directors is responsible for reviewing and supervising the Company's overall implementation of risk management. The Company has fully integrated the climate risk identification, assessment, and management processes into our overall risk management system to effectively address the risks brought by climate change. The sustainable development unit is responsible for identifying and managing the physical and transition risks brought by climate change, and for proposing specific risk management measures and response strategies based on the climate change risks and opportunities that are identified. The Company has established relevant indicators and carries target management to ensure the effective implementation of climate change response strategies and risk management targets. The sustainable development unit regularly reports to the Board of Directors to ensure that the integrated risk management system can effectively address the challenges brought by climate change. The climate risk management process mainly consists of four steps: risk identification, assessment, monitoring, and reporting, as described below:
<table>
<tr><th>Management process</th><th>Content</th></tr>
<tr><td>Risk identification</td><td>(1) The Company identifies climate risks and opportunities based on the characteristics of its business in coordination with the timeline planned by the government.
(2) Integrate risk identification by the Risk Management Department and relevant departments.
(3) Reference climate risk reports from international organizations.</td></tr>
<tr><td>Risk assessment</td><td>(1) The Company assesses the level of impact of each risk based on industry characteristics.
(2) The scope of assessment includes the impact path, the timing and geographical scope of the impact, the impact on the value chain position, and the financial impact.</td></tr>
<tr><td>Risk management</td><td>(1) Environmental and social risk factors are included in the industry risk level assessment mechanism.
(2) Monitor climate risk indicators to control the loss of value due to climate risks.</td></tr>
<tr><td>Risk reporting</td><td>(1) Regularly report risk indicators or the use of risk limits to the Audit Committee and the Board of Directors.
(2) Irregularly report risk-related information to independent directors.</td></tr>
</table>
</td>
</tr>
</table>

5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	The Company has not yet conducted climate change scenario analysis. In the future, we will refer to industry risk assessment and economic situation analysis reports issued by well-known domestic and foreign institutions, and incorporate the Company's environmental and social risk factors in assessments of industry risk level, including the impact of emerging environmental or social factors on industry trends, the costs of climate transition risks, and the industry's barriers to entry. We aim to comprehensively review all business locations and analyze the climate-related financial impacts at different times in different scenarios from multiple perspectives.
6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	As of 2025, the Company has not yet formulated a specific transition plan or related metrics and targets. However, going forward, we will conduct a comprehensive assessment of the climate-related risks and opportunities that are identified, and implement corresponding projects to address these challenges and opportunities based on the Company's actual situation.
7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.	The Company has not yet used an internal carbon pricing tool. However, we will support the concept of "science-based carbon reduction and carbon credits have value" to become aligned with the international trend of carbon reduction. Going forward, we will refer to the carbon price range in the Carbon Disclosure Project (CDP), and use the inputs and outputs of every energy conservation action plan as parameters for carbon pricing based on our historical carbon reduction results, as well as potential carbon reduction costs in the future (such as replacing equipment with energy-efficient models).

8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or renewable energy certificates (RECs) are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	(I) The Company has not set specific climate-related targets for 2025, nor has it used carbon offsets or RECs to achieve these targets. (II) The Company will disclose the assurance of its GHG emissions in 2028 according to its roadmap, and has set short-, medium- and long-term plans to reduce Scope 1 and Scope 2 GHG emissions through the use of energy-efficient equipment and actually using renewable energy (green electricity).
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans. (Specified in 1-1 and 1-2)	See Table 1-1 and Table 1-2 below for details.

1-1 The Company's GHG inventory and assurance in the past two years

1-1-1 Information on GHG inventory

Describe the GHG emission volume (metric tons CO_2e), intensity (metric tons CO_2e/million NTD), and scope of data for the past two years.

<table>
<tr><th rowspan="2">Category</th><th colspan="2">2024</th><th colspan="2">2025</th></tr>
<tr><th>Emissions
(metric tons CO_2e)</th><th>Intensity
(metric tons CO_2e/million NTD)</th><th>Emissions
(metric tons CO_2e)</th><th>Intensity
(metric tons CO_2e/million NTD)</th></tr>
<tr><td>Scope 1
Direct GHG emissions</td><td>6.5266</td><td rowspan="3">0.1223</td><td>6.4050</td><td rowspan="3">0.1117</td></tr>
<tr><td>Scope 2
Energy indirect emissions</td><td>228.2902</td><td>212.3321</td></tr>
<tr><td>Subtotal</td><td>234.8168</td><td>218.7371</td></tr>
</table>

Note: 1. The scope of the 2025 and 2024 direct emissions and energy indirect emissions inventory covers the Wugu Office, Central Taiwan Office, Southern Taiwan Office, and Southern Taiwan Warehouse, but does not include counters of Munsin Garment Corporation.

2. Direct emissions (Scope 1, i.e., directly from emission sources owned or controlled by the Company), and energy indirect emissions (Scope 2, i.e., indirect GHG emissions from electricity, heat or steam).

3. Munsin Garment Corporation uses the calculation tool on the Mandatory Greenhouse Gas Reporting System to compile the inventory on its own.

4. The intensity of GHG emissions is calculated based on revenue. The revenue used for calculation in 2025 and 2024 is NT$1,958 million and NT$1,920 million, respectively.

1-1-2 GHG Assurance Information

Describe the assurance situation in the last two years as of the date of report, including the scope of assurance, the certification body, the criteria for assurance, and assurance opinions.
The Company plans to disclose the 2027 GHG inventory and assurance of its parent company in 2028 in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" of the Taipei Exchange, and the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" of the FSC.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.
The Company plans to disclose its GHG inventory in 2026 in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" of the Taipei Exchange, and the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" of the FSC. The baseline year will be no later than 2026, and the reduction targets, strategies, and specific action plans will be disclosed in 2027.

(VII) Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and plans				
(I) Has the company established an ethical corporate management policy that was approved by the Board of Directors, and declared its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and senior managers to implementing the management policies?	V		(I) The Company's Board of Directors passed the "Ethical Corporate Management Best Practice Principles" on May 19, 2011, and the Board of Directors and managers have committed to actively implement and abide by the principles.	No material deviation
(II) 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	V		(II) 1. The Company has established "Work Rules" for employees, which prohibit employees from directly or indirectly offering or accepting any unreasonable gifts, hospitality, or other improper benefits, in order to prevent employees from sacrificing the	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			Company's interests for personal gain. Furthermore, all board members and managers faithfully perform their duties, exercise the due care of a good administrator, and exercise their powers with a high degree of self-discipline and prudence. The Company has established "Regulations for the Prevention of Insider Trading," which clearly stipulates that directors, managers, and employees may not disclose material insider information to others, and may not inquire or collect undisclosed material insider information unrelated to their position from individuals that possess such information. Undisclosed material insider information not obtained while performing duties may not be disclosed to others either. 2. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations for public companies, and other laws related to business practices, and uses them as the foundation for implementing	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
			ethical corporate management. The Company has linked it to employee performance assessments and established a clear and effective reward and disciplinary system.	
(III) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(III) The Company's "Ethical Corporate Management Best Practice Principles" clearly provide operating procedures, code of conduct, penalties for violations, and an appeal system as the basis for ethical corporate management. All new employees must sign a guarantee or information security confidentiality agreement, which they must personally sign to ensure compliance. Violators will be reported in accordance with the law. The Company has established the "Whistleblowing System Management Regulations," and provides complaint channels and the complaint system on its official website. Whistleblowers include both employees and non-employees. The Company accepts reports through its toll-free 0800 number, e-mails directly sent to the Company, or e-mails to munsin@ms7.hinet.net.	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
II. Implementation of ethical corporate management				
(I) Does the Company evaluate the integrity of all transaction counterparties and stipulate integrity clauses in the agreements it signs with transaction counterparties?	V		(I) The Company is mainly a retailer with counters in department stores, and also serves as a distributor. All contracts signed by the Company contain integrity clauses to prevent unethical conduct, such as the sale of counterfeit goods.	No material deviation
(II) Does the company have a dedicated unit responsible for ethical corporate management under the board of directors, which regularly (at least once a year) reports the ethical corporate management policy and plans to prevent unethical conduct to the board of directors while overseeing such operations?	V		(II) The Management Department is responsible for implementing ethical corporate management at the Company in accordance with the "Ethical Corporate Management Best Practice Principles," and is also responsible for implementing the Operating Procedures and Code of Conduct, as well as supervising the registration and filing of reports. The Management Department also regularly reports to the Board of Directors (at least once a year). Any violation of the rules is reported to the Board of Directors for resolution in accordance with regulations.	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
(III) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	V		(III) The Company's directors, managers, and other interested parties attending or present at board meetings who have a conflict of interest regarding a board meeting agenda item, whether concerning themselves or the legal person they represent, should disclose the material aspects of their conflict of interest during that board meeting. If the matter may be detrimental to the Company's interests, they shall not participate in the discussion or voting on the issue. Furthermore, they must recuse themselves from both discussion and voting and may not act as a proxy to exercise voting rights on behalf of other directors. The directors shall exercise self-discipline and may not support one another in improper dealings. When performing their duties, if the Company's employees discover that they or the legal entity they represent have a conflict of interest, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the employee	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
			shall report the situation to both their immediate supervisor and the Company's responsible unit, and the immediate supervisor shall provide the employee with proper instructions.	
(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management, and designated its internal audit unit to, based on the assessment of the risk of unethical conduct, formulate related internal audit plans and audit the compliance with the prevention programs accordingly, or commissioned a CPA to conduct the audit?	V		(IV) The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. Internal auditors irregularly audit the compliance with the aforementioned systems, and submits audit reports to the Board of Directors for future reference. In addition, all financial statements are audited (or reviewed) by CPAs and published in accordance with regulations. The Company has never had any cases of corruption or fraud over the years.	
(V) Does the Company provide regular internal and external training on ethical corporate management?	V		(V) The Company reminds employees of the importance of integrity during annual training courses. The Company will also send employees to participate in seminars and symposiums held by external organizations. In addition, annual training courses for directors include courses on regulations governing	

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
			market manipulation by insiders, ethical corporate management, and corporate social responsibility.	
III. Operation of the whistleblowing system (I) Does the company provide incentives and means for employees to report misconduct? Does the company assign dedicated personnel to investigate the reported misconduct?	V		(I) The Company operates according to the design of division of labor by specialization and the internal control system. The Company has established a complete "Whistleblowing System Management Regulations," which is available on the Company's official website. The regulations provide whistleblowing methods, content, and incentive system. The Company accepts reports through its toll-free 0800 number, e-mails directly sent to the Company, or e-mails to munsin@ms7.hinet.net, and reports are handled by designated personnel in relevant departments to prevent any unethical conduct.	No material deviation
(II) Does the company establish standard operating	V		(II) The Company keeps written records of all reports	

Assessment item	Implementation status: Yes	No	Summary	Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation? (III) Does the company take measures to protect whistleblowers from inappropriate treatment or retaliation?	 V		received, which are then investigated, processed, and reported by relevant departments. (III) The Company takes protective measures for whistleblowers and maintains confidentiality in accordance with the Personal Data Protection Act.	
IV. Enhancing information disclosure (I) Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?	V		The Investors section of the Company's website discloses information on ethical corporate management. The Company ensures that information is disclosed to the competent authority or the public in a complete, fair, correct, timely, and understandable manner, and that the information is available on the MOPS and the Company's website.	No material deviation

V. If the company has formulated Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," describe the deviations, if any, between actual practices and the principles:

The Company's Board of Directors passed the Ethical Corporate Management Best Practice Principles on May 19, 2011. There are no deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and relevant matters are handled in accordance with the principles. Independent directors, the Management Department, and internal auditors work closely together, and CPAs review the financial

Assessment item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
statements provided by the Finance Department to prevent any unethical conduct.				
VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: The Company established Ethical Corporate Management Best Practice Principles for directors, managers and employees in accordance with the law, and aims to thereby improve employees' compliance with professional ethics and implementation of ethical corporate management.				

(VIII) Other important information that may improve the understanding of corporate governance operations

1. Continuing education of the Company's chief internal auditor and agent:

Title	Name	Date of continuing education	Organizer	Course name	Hours of continuing education
Chief internal auditor	Hsia Chun Hao	2025/11/07	Taiwan Institute of Economic Research	Internal Control and Internal Audit Practices in Sustainability Information Management	6.0
		2025/12/05	Taiwan Institute of Economic Research	Techniques for Auditing ESG Internal Control Design and Effective Audit Report Writing	6.0
Internal Audit Agent	Lin Hsiao Lan	2025/04/11	Taiwan Institute of Economic Research	Internal Control and Audit Practices for Trade Secret Protection, Non-compete Agreements, and Personal Data Security	6.0
		2025/05/12	Accounting Research and Development Foundation	Analysis of Internal Control Management Practices of Companies for Greenhouse Gas Inventory	6.0
Internal Audit Agent	Yang Yu Lin	2025/05/12	Accounting Research and Development Foundation	Analysis of Internal Control Management Practices of Companies for Greenhouse Gas Inventory	6.0
		2025/11/07	Taiwan Institute of Economic Research	Internal Control and Internal Audit Practices in Sustainability Information Management	6.0

2. The Company will promptly disclose material information to investors on the Market Observation Post System, and regularly holds investor conferences starting in 2022 to explain the Company's operations.

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

4. Employee Code of Conduct and Ethics

   (1) The Company's Work Rules clearly stipulate that employees must not use their position for corruption, fraud, or seek illegal benefits for themselves or others, nor may they accept any gifts or enjoy any other improper benefits. The Company's Regulations for Employee Rewards and Penalties clearly stipulate the penalties for violating the provisions above to ensure that the Company implements ethical corporate management.

   (2) The Company has increased its efforts to promote its core values during the training of new employees. One of the core values is "integrity," which emphasizes the importance of conduct at work, so that they will fully understand the Company's determination and policy to implement ethical corporate management. It is linked to the employee performance evaluation system to provide appropriate rewards and punishments in a timely manner.

   (3) The Company's Work Rules include the following:

      A. The Company's employees shall abide by the following rules during their employment:

         a. All employees represent the Company externally and must exert every effort to maintain the Company's image.

         b. Faithfully perform duties according to the Company's policies, systems, rules, and regulations, and obey instructions of supervisors to perform tasks within their scope of responsibility.

         c. Maintain a clear distinction between public and private matters, respect each other's personalities, treat each other with sincerity, and work together to achieve business goals.

         d. Comply with any relocation or assignment made by the Company for business needs, and do not make excuses to refuse.

         e. When performing duties, be diligent, do not be afraid of or try to avoid difficulties, or delay performing duties without cause.

f. Salaries are confidential information, do not disclose your salary or inquire the salary of others.

g. Gambling, fighting, drug use, or engaging in any indecent behavior are prohibited in the workplace.

h. Do not access documents, correspondence, or ledgers that are unrelated to your duties without the Company's approval. (Do not disclose the documents and information in your possession to any unrelated third party)

i. Comply with employee safety and health regulations and maintain the safety and hygiene of the workplace and surrounding environment.

B. The Company established the "Regulations for the Prevention, Complaint, and Punishment of Sexual Harassment" to prevent sexual harassment in the workplace and to uphold gender equality and dignity. The Company provides complaint channels and conducts investigations, and will punish the offender based on the severity of the offense, or dismiss the employee in accordance with Article 12 of the Labor Standards Act. If a violation involves criminal liability, the Company may transfer the case to the judicial authority.

(IX) Implementation status of the internal control system

1. Statement on Internal Control

For the Company's 2025 Statement on Internal Control, please visit the "Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Announcements of Statement on Internal Control", website: https://mops.twse.com.tw/mops/#/web/t06sg20 (Code 2916)

2. If the company engages an accountant to examine its internal control system, disclose the CPA audit report

The Company did not engage an accountant to conduct a special review of internal controls this year.

(X) Important resolutions adopted in shareholders' meeting and Board meetings in the past year and up to the date of report

1. Shareholders' meeting

Date	Major resolutions	Implementation status
2025.05.28 Annual General Meeting	1. Acknowledged the 2024 financial statements and dividend distribution proposal.	The documents and reports have been filed with the competent authority for recordation and announcement in accordance with relevant laws and regulations. The Company will distribute a cash dividend of NT$3.6 per share, with July 5, 2025 as the ex-dividend base date, and distributed cash dividends on July 18, 2025.
	2. Proposal to revise the Company's Articles of Incorporation.	Registration was approved by the Ministry of Economic Affairs on July 17, 2025.
	3. Proposal to hold a directors election.	Directors election results were announced on May 28, 2025, and registration was approved by the Ministry of Economic Affairs on July 17, 2025.
	4. Proposal to lift the non-compete clause for directors.	It will take effect after the resolution of the shareholders' meeting and will be published on the Market Observation Post System.

2. Board of Directors

Date	Major resolutions
2025.03.12	1. Passed the 2025 business plan and annual budget. 2. Passed the proposed distribution of 2024 employee bonuses and directors' remuneration. 3. Passed the 2024 financial statements, business report, and earnings distribution. 4. Passed the proposed distribution of cash dividends from 2024 earnings. 5. Passed the proposal to change CPAs in 2025. 6. Passed the assessment of accountant independence and competence and

Date	Major resolutions
	the appointment of CPAs in 2025. 7. The 2024 "Internal Control Effectiveness Evaluation" and "Statement on Internal Control." 8. Passed the proposed definition of "entry-level employees." 9. Proposal to amend the Articles of Incorporation. 10. Passed the proposal to renew contract for short-term loan from a bank. 11. Passed the proposed 2024 year-end bonuses for the chairman and managers. 12. Proposal to hold a directors election. 13. Proposal to nominate and review the list of candidates for the 17th-term Board of Directors. 14. Proposal to waive the non-compete clause for newly elected directors. 15. Decided on matters related to the Company's 2025 Annual General Meeting.
2025.05.13	1. Passed the 2025 Q1 financial statements. 2. Passed the proposed salary adjustment for managers and the corporate governance officer in 2025 3. Passed the proposal to renew contract for short-term loan from a bank.
2025.05.28	1. Passed the proposal to elect the chairman of the current term Board of Directors. 2. Passed the proposal to appoint members of the 6th-term Remuneration Committee.
2025.08.12	1. Passed the 2025 Q2 financial statements. 2. Passed the proposed salary for the new chairman in 2025. 3. Passed the retirement of the chief financial officer and chief accounting officer and the appointment of their successors. 4. Passed the proposal to prepare the 2024 Sustainability Report. 5. Passed the proposal to renew contract for short-term loan from a bank.
2025.11.12	1. Passed the 2025 Q3 financial statements. 2. Proposal to amend the "payroll cycle" in the internal control system. 3. Passed the 2026 internal audit plan.

Date	Major resolutions
	4. Passed the proposal to renew contract for short-term loan from a bank.
2026.03.11	1. Passed the 2026 business plan and annual budget. 2. Passed the proposed distribution of 2025 employee bonuses and directors' remuneration. 3. Passed the 2025 financial statements, business report, and earnings distribution. 4. Passed the proposed distribution of cash dividends from 2025 earnings. 5. Passed the assessment of accountant independence and competence in 2026. 6. The 2025 "Internal Control Effectiveness Evaluation" and "Statement on Internal Control." 7. Proposal to amend the "Procedures for Acquisition or Disposal of Assets." 8. Passed the proposal to establish a Sustainable Development Committee. 9. Passed the proposal to appoint a Chief Sustainability Officer. 10. Passed the proposal to change the chief internal auditor. 11. Passed the proposal to renew contract for short-term loan from a bank. 12. Passed the proposed 2025 year-end bonuses for the chairman and managers. 13. Decided on matters related to the Company's 2026 Annual General Meeting.

(XI) Dissenting opinion of directors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report

None.

IV. Information on Fees to CPA

(I) The amount of audit fees and non-audit fees paid to the CPAs, their accounting firm, and affiliated enterprises

Unit: NT$ thousand

<table>
<tr><th>Name of accounting firm</th><th>Name of CPAs</th><th>Audit period</th><th>Audit fee</th><th>Non-audit fees</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">KPMG International Cooperative</td><td>Chen Yi Chun</td><td>2025.01.01-2025.12.31</td><td rowspan="2">2,380</td><td rowspan="2">1,460</td><td rowspan="2">3,840</td><td rowspan="2"></td></tr>
<tr><td>Hsu Shu Min</td><td>2025.01.01-2025.12.31</td></tr>
</table>

(II) The contents of services for non-audit fees paid to the CPAs, their accounting firm, and affiliated enterprises

The services of the Company's non-audit fees in 2025 are as follows: Tax certification fees, transfer pricing report fees, review fees for the salary of non-managerial full-time employees, business registration fees, consulting service fees for sustainability reports, and advanced payment.

(III) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, disclose the amounts of the audit fees before and after the replacement and the reason:

The Company did not change accounting firm in 2025.

(IV) If the audit fees decreased more than 10% from that of the prior year, disclose the amount, percentage, and reasons for the decrease in audit fees

The Company's audit fee in 2025 did not decrease more than 10% compared to the previous year.

V. Information on change of CPA

(I) About the former CPAs

<table>
<tr><td>Date of change</td><td colspan="3">Approved by the Board of Directors on March 12, 2025</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="3">The Company's CPAs were originally CPAs Chen Yi Chun and Chen Ying Ju of KPMG International Cooperative. The CPAs were replaced by CPAs Chen Yi Chun and Hsu Shu Min due to internal rotation of KPMG International Cooperative.</td></tr>
<tr><td rowspan="3">State whether the appointment was terminated or rejected by the appointer or CPAs</td><td>The Parties
Status</td><td>Accountants</td><td>Appointer</td></tr>
<tr><td>Termination initiated by client</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Appointment rejected (discontinued)</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Reasons for issuing audit reports other than unqualified opinion in the last two years</td><td colspan="3">Audit reports issued by CPAs containing opinions other than unqualified opinions in the most recent two years.</td></tr>
<tr><td rowspan="7">Different opinions from the issuer</td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure of financial statements</td></tr>
<tr><td></td><td>Audit scope or procedures</td></tr>
<tr><td></td><td>Other</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Description N/A</td></tr>
<tr><td>Supplementary disclosures</td><td colspan="3">N/A</td></tr>
</table>

(II) About the succeeding CPAs

Name of accounting firm	KPMG International Cooperative
Name of CPAs	Chen Yi Chun, Hsu Shu Min
Date of appointment	Approved by the Board of Directors on March 12, 2025
Subjects and outcomes of consultation on the accounting treatment or application of accounting principles to specific transactions, or opinions that may be included on financial statements before the appointment of new CPAs	N/A
The succeeding CPA's opinions in written form in response to the former CPA's opinions	N/A

(III) Former CPAs' response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations.

N/A.

VI. If the Company's chairperson, president, financial or accounting manager previously worked for the accounting firm or its affiliated enterprise in the past year

None.

VII. Share transfer by directors, managers, and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report

(I) Changes in shareholding of directors, managers, and major shareholders

1. For information on share transfer, please refer to the announcements on the "Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Equity Transfer Information > Declaration Form for Changes in Shareholding of Insiders", website: https://mops.twse.com.tw/mops/#/web/query6_1 (Code 2916).
2. For information on changes in pledges, please refer to the announcements on the "Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Insider Pledges and Release of Pledged Shares > Announcement of Insider Pledges and Release of Pledged Shares", website: https://mopsov.twse.com.tw/mops/web/STAMAK03_1 (Code 2916).

(II) Where the counterparty of equity transfer is a related party: None.

(III) Where the counterparty of equity pledges is as related party: None.

VIII. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

Information on the relationship between any of the top ten shareholders

March 28, 2026

Name	Shares held by the individual		Shares held by spouse and underage children		Total shares held in the name of others		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Descente Ltd.	8,325,000	12.88%	None	None	None	None	Mega International Commercial Bank acting as custodian for investment account of H.K. Descente Trading Limited	Investment account of subsidiary	
Representative: Shuichi Koseki	None	None	None	None	None	None	None	None	

Name	Shares held by the individual		Shares held by spouse and underage children		Total shares held in the name of others		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Jacksiya Investment Co., Ltd.	6,171,206	9.55%	None	None	None	None	None	None	
Representative: Tsai Shih Yung	None	None	None	None	None	None	None	None	
Mitsui & Co., Ltd.	3,398,714	5.26%	None	None	None	None	None	None	
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 Liu Ying Yueh	Father and son Relative within the second degree of kinship	
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	
Liu Ying Yueh	1,433,433	2.22%	229,000	0.35%	None	None	Li Chiun Liang	Relative within the second degree of kinship	
Mega International Commercial Bank acting as custodian for investment account of H,K. Descente Trading Limited	1,365,000	2.11%	None	None	None	None	Descente Ltd.	Investment account of subsidiary	
Chang Song Kuang	1,238,000	1.92%	None	None	None	None	None	None	

IX. The number of shares of the same investee company held by the Company, the Company's directors and managers, and the businesses controlled directly or indirectly by the Company, and the consolidated shareholding ratio

Consolidated shareholding ratio

March 31, 2026; Unit: Shares; %

Investee company	Investment by the Company		Investments from directors, managers, and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
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%

Chapter 3. Capital Overview

I. Capital and shareholding

(I) Sources and types of capital

1. Sources of capital

Unit: NTD; Shares

Year/Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital (Note)	Subscriptions paid with property other than cash	Other
June 2005	10	60,000,000	600,000,000	36,550,080	365,500,800	Capitalization of profits 36,220,800	None	Note 1
June 2006	10	60,000,000	600,000,000	40,205,088	402,050,880	Capitalization of profits 36,550,080	None	Note 2
July 2007	10	60,000,000	600,000,000	42,215,343	422,153,430	Capitalization of profits 20,102,550	None	Note 3
June 2010	10	60,000,000	600,000,000	46,436,878	464,368,780	Capitalization of profits 42,215,350	None	Note 4
November 2011	25	60,000,000	600,000,000	54,626,878	546,268,780	Cash capital increase 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	Capital increase by cash 100,000,000	None	Note 7

Note 1: The document number of the approval letter is Jin-Guan-Zheng-Yi-Zi No. 0940124968.
Note 2: The document number of the approval letter is Jin-Guan-Zheng-Yi-Zi No. 0950124500.
Note 3: The document number of the approval letter is Jin-Guan-Zheng-Yi-Zi No. 0960036669.
Note 4: The document number of the approval letter is Jin-Guan-Zheng-Fa-Zi No. 0990033178.
Note 5: The document number of the approval letter is Jing-Shou-Shang-Zi No. 10001260870.
Note 6: The document number of the approval letter for public offering of privately placed shares is Jin-Guan-Zheng-Fa-Zi No. 1080335852.
Note 7: The document number of the approval letter is Jin-Guan-Zheng-Fa-Zi No. 1130340360 and Jin-Guan-Zheng-Fa-Zi No. 11330141370.

2. Type of shares

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary shares	64,626,878 shares	35,373,122 shares	100,000,000 shares	TPEx Mainboard Stocks

3. Information on shelf registration: N/A

(II) List of major shareholders

March 28, 2026

Name of major shareholder / Shares	Number of shares held	Shareholding ratio (%)
Descente Ltd.	8,325,000	12.88%
Jacksiya Investment Co., Ltd.	6,171,206	9.55%
Mitsui & Co., Ltd.	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%
Liu Ying Yueh	1,433,433	2.22%
Mega International Commercial Bank acting as custodian for investment account of H.K. Descente Trading Limited	1,365,000	2.11%
Chang Song Kuang	1,238,000	1.92%

(III) Dividend policy and implementation status

1. Dividend Policy in the Articles of Incorporation

If the Company has a profit in its annual financial statements, after paying taxes and offsetting losses from previous years in accordance with the law, it shall set aside 10% as legal reserve, and then set aside or reverse special reserve in accordance with laws or regulations of the competent authority. If there is still a balance, it shall add the accumulated undistributed earnings from previous years, and the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution on distribution.

The Company's dividend policy is formulated in coordination with current and future development plans, takes into consideration the investment environment, responds to future capital requirements and long-term financial plans, and also considers shareholders' interests. No less than 50% of distributable earnings each year shall be allocated as shareholders dividends. However, dividends do not need to be distributed if accumulated distributable earnings is lower than 10% of paid-in capital. No less than 20% of dividends shall be paid in cash. However, if the cash dividend per share is less than NT$1, dividends may be distributed entirely in stock.

Since its listing in 2004, the Company has distributed cash dividends to shareholders every year. The Company will maintain a stable and sustainable dividend policy. The Board of Directors will prepare an appropriate divided distribution plan after considering the Company's environment and growth stage, future funding needs, and long-term financial plan, and to meet shareholders' needs for cash inflow.

2. Dividend distribution in 2025:

Pursuant to the Company's Articles of Incorporation, the Board of Directors is authorized to decide whether to distribute all or part of the dividends and bonuses in cash, and to report it to the shareholders' meeting. The Board of Directors adopted the resolution on March 11, 2026 to distribute a cash dividend of NT$3.6 per share from the 2025 earnings, and plans to report it to the Annual General Meeting on May 26, 2026.

(IV) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's business performance and earnings per share

Not applicable. There is no stock dividend distribution proposed in this shareholders' meeting.

(V) Employee bonuses and directors' remuneration

1. Percentages or ranges of employee bonuses and directors' remuneration under the Articles of Incorporation

Pursuant to the Articles of Incorporation, if the Company makes a profit in a year, it shall allocate 2% to 4% as employee bonuses and no more than 2% as directors' remuneration. Of the amount allocated for employee bonuses, no less than 40% shall be allocated for entry-level employees. However, in the event the Company has sustained cumulative losses, any profit made shall first be retained to make up for losses. The employee bonuses in the preceding paragraph may be paid in stock or cash according to the resolution of the Board of Directors, and may be paid to employees of companies controlled by the Company or subsidiaries who meet certain requirements.

2. Basis for estimating the amount of employees bonuses and directors' remuneration,

basis for calculating the number of shares to be distributed as employee bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

The basis for estimating employee bonuses and directors' remuneration is the most appropriate estimate of the amount that may be paid based on the percentages set forth in the Company's Articles of Incorporation and past experience, and is recognized as an expense. When there is a significant difference between the amount and the amount resolved by the Board of Directors, the difference shall be adjusted to the expense of the year in which employee bonuses and directors' remuneration was originally recognized. If there is still a difference between the amount and the amount resolved at the shareholders' meeting in the following year, it shall be treated as a change in accounting estimates and recognized as a profit or loss in the following year.

3. Distribution of remuneration passed by the Board of Directors

(1) Amount of employee bonuses and directors' remuneration to be distributed in cash or stocks

The Company's Board of Directors adopted the resolution on March 11, 2026 to distribute NT$10,102 thousand in employee bonuses and NT$6,735 thousand in directors' remuneration for 2025 in cash, and plans to report it during the Annual General Meeting on May 26, 2026. There is no discrepancy with the estimates in the year they were recognized as expenses.

(2) The amount of employee bonuses to be paid in stocks as a percentage of the sum of net income after tax on the standalone financial statements and total employee bonuses:

Not applicable. The Company does not plan to distribute employee bonuses in stock this year.

4. Actual distribution of employee bonuses and director's remuneration in the previous year (including dividend shares, amount, and stock price), discrepancies, if any, from the amount of employee bonuses and directors' remuneration previously recognized, and the reasons and handling of discrepancies:

The Company's Board of Directors adopted the resolution on March 12, 2025 to distribute NT$9,798 thousand in employee bonuses and NT$6,532 thousand in directors' remuneration for 2024. Both employee bonuses and directors' remuneration will be distributed in cash, and there is no discrepancy with the estimates.

(VI) Stock buyback: The Company has not bought back any of its shares in the most recent year and up to the date of report, nor does it have any treasury shares on its books.

II. Issuance of corporate bonds

None.

III. Issuance of preferred shares

None.

IV. Issuance of global depositary receipts (GDR)

None.

V. Exercise of employee stock option plan (ESOP)

None.

VI. Issuance of restricted stock awards

None.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies

None.

VIII. Implementation of capital allocation plan

The Company raised a total of NT$420,000 thousand through the issuance of new shares for a cash capital increase in 2024. For details of the plan and its implementation, please refer to the announcement on the Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Fundraising > Fundraising Plan Implementation. Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2 (Code 2916).

Chapter 4. Business Overview

I. Business activities

(I) Scope of business

1. Major business activities

The Company primarily engages in the distribution and sales of apparel and accessories of foreign brands. Currently, our products are mainly sold domestically through counters in large department stores, shopping malls, online e-commerce platforms, directly operated stores, brand franchise stores, and retail outlets. The Company is an authorized agent for Munsingwear, le coq sportif, HAZZYS, ココディール, POU DOU DOU, DANSKIN, PEARLY GATES, and per se.

2. Revenue breakdown

Product	Amount (NT$ thousand)	Percentage (%)
Clothing products	1,806,011	92%
Accessories	152,255	8%

3. Current products and services

Brand Name	Description
Munsingwear	Golf apparel and casual wear (Men's and women's clothing)
le coq sportif GOLF	Youth golf apparel (Men's and women's clothing)
le coq sportif	Sportswear (Men's and women's clothing)
HAZZYS	Korean casual wear (Men's and women's clothing)
NARA CAMICIE	European-style business attire for women and shirts
ココディール	Japanese style trendy women's clothing
POU DOU DOU	Japanese style trendy women's clothing
DANSKIN	American yoga clothes
and per se	Youth golf apparel (Men's and women's clothing)
PEARLY GATES	Youth golf apparel (Men's and women's clothing)
SCOTTISH HOUSE	British-style young ladies' clothing

4. Plans for new product (service) development

As market competition becomes increasingly intense, in addition to the continued operation of current brands, we plan to introduce well-known international brands to meet consumer needs with a wider range of products, so as maintain our position among domestic apparel distributors and provide better services.

(II) Industry overview

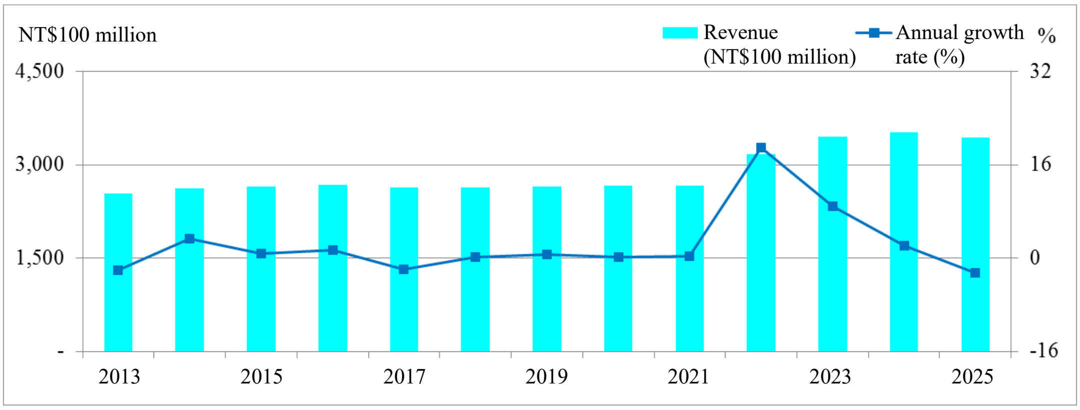
1. Current industry trends and future outlook

The Company primarily engages in the sale of apparel and accessories of domestic and international brands. The brands are positioned in the mid-to-high price range in the market. Our business model mainly involves directly setting up counters with service personnel in department stores to convey the brand's spirit and allow consumers to directly try on clothes. Sales channels include counters in large department stores, shopping malls, online e-commerce platforms, directly operated stores, brand franchise stores, and retail outlets. We provide our products to general consumers through these channels. Department stores and shopping malls account for approximately 80% of our overall revenue. Since the Company is in the apparel industry and the department store industry is the Company's main sales channel, an overview of the apparel industry and the department store industry, as well as the operational risks in the industries, are provided below:

(1) Apparel and fashion industry

According to data from the Department of Statistics, Ministry of Economic Affairs, the turnover of Taiwan's retail sale of cloths and clothing accessories in 2025 was NT$343.8 billion, with an annual growth rate of -2.57%, declining compared to the annual growth rate of 2.16% in the same period last year. Observing the overall economic situation in Taiwan, the popularity of traveling overseas has resulted in the continued decline of domestic tourism, and inflationary pressures have also changed the consumption habits of Taiwanese people, posing a challenge to the apparel industry. Meanwhile, the new US tariff policy has negatively impacted traditional industries in Taiwan, and might indirectly impact consumer spending. Fortunately, the opening and reopening of several department stores in Taiwan, along with themed events and the construction of new shopping malls, will enhance the shopping experience and attract people to shop, improving the retail performance for major brand agents.

[Apparel and Accessories Retail Sales Revenue in 2013-2025]



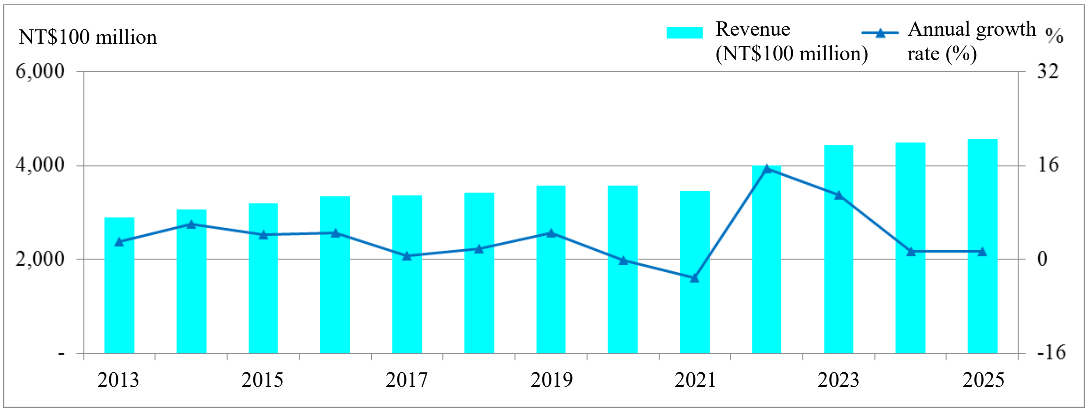
Source: Ministry of Economic Affairs Statistical Data Analysis System

The economic situation is related to consumers' purchase intention. According to the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan (press release dated February 13, 2026), the economic growth rate in 2026 is projected to be 7.11%, lower than the projected 8.68% in 2025. Therefore, from a wealth perspective, the growth of Taiwan's domestic demand market is also expected to slow down, and the retail industry of cloths and clothing accessories is expected remain the same in 2026.

(2) Department store retail market

According to data from the Department of Statistics of the Ministry of Economic Affairs, the revenue of Taiwan's department store industry was NT$455.5 billion in 2025, up 1.43% compared to 2024. The outflow of consumer spending has continued in 2025 due to the popularity of traveling overseas, and the appreciation of the New Taiwan Dollar has further boosted overseas purchasing power, making people more willing to directly make purchases in overseas shopping malls. This has displaced domestic demand for consumer goods. Moreover, the number one department store in Taiwan, Shin Kong Mitsukoshi Taichung Zhonggang Store, was ordered to close due to a gas explosion. Coupled with the uncertainties caused by tariffs, consumers have become more conservative in their spending due to concerns about their future livelihoods, resulting in a sluggish performance of department stores in the first three quarters. Fortunately, Shin Kong Mitsukoshi Taichung Store finally reopened in the fourth quarter, and the combined effects of anniversary sales of various department stores and the government's universal cash handout policy drove the number of visits and spending at department stores, making up for the sluggish sales performance in the first three quarters. As a result, the industry's revenue slightly grew by 1.43% in 2025.

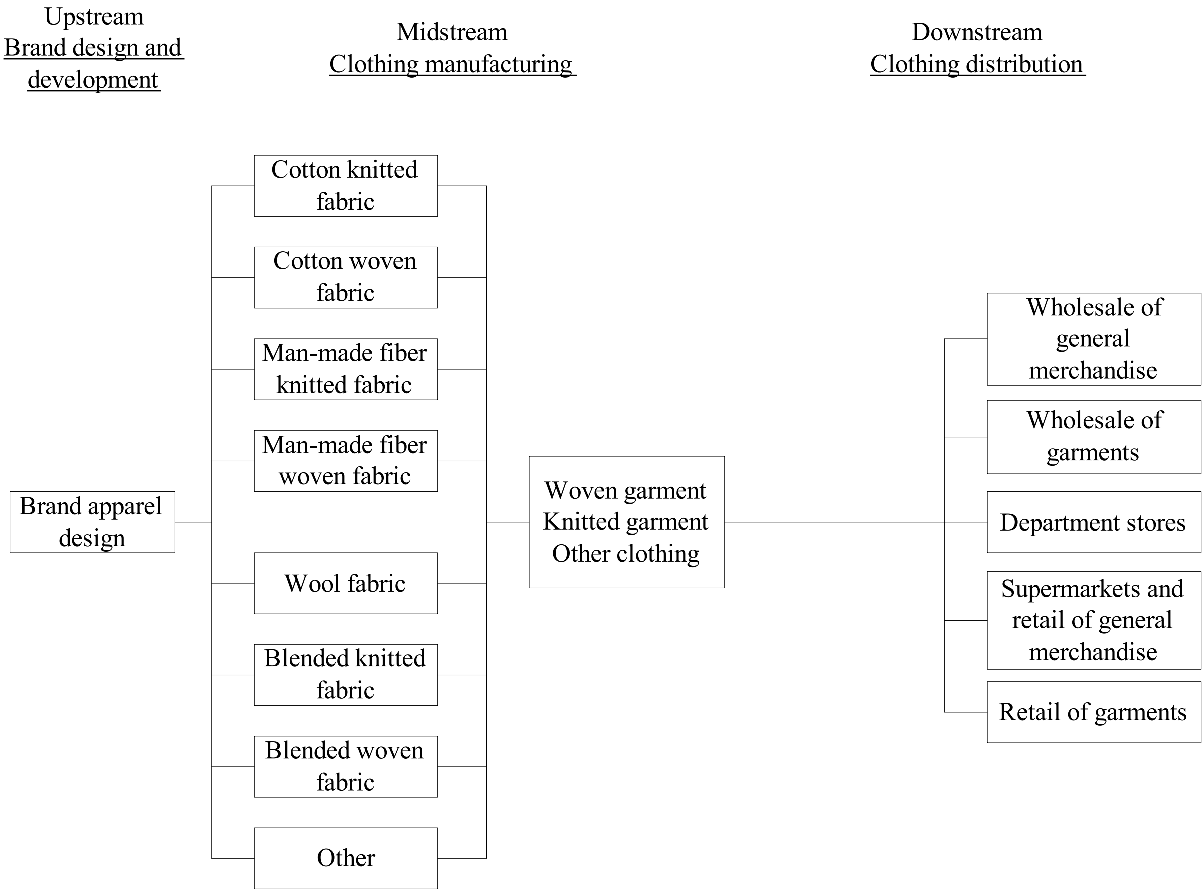
[Department Store Retail Sales Revenue in 2013-2025]



Source: Ministry of Economic Affairs Statistical Data Analysis System

Looking towards 2026, several new shopping malls will be opening, and businesses are actively renovating stores to adjust their brand features. The industry is expected to grow moderately in 2026, but at a faster pace than in 2025.

2. Relationships with suppliers in the industry's supply chain



3. Product trends and competition

The consumer market has shifted from a manufacturer-driven to a consumer-driven era. We are now in an era of refined and trendy consumption. The Company's main products are branded apparel and accessories, and its customers are primarily middle- and high-income earners. Due to the relatively high income of our customers, they seek high-quality, trendy, and well-known brands. Trends in the Company's high-end apparel products are explained below:

(1) Increased usage of high-tech materials

Due to the progress in research on nanotechnology and other basic industries, many new inventions are gradually being used in clothing products. For example, special materials such as chitosan and titanium are already being used in clothing products. We expect to see this trend continue in the high-end apparel market.

(2) Higher brand value

Clothes are not only wearing, but also make an individual more aesthetic and serve as a social status symbol. Generally speaking, the brand of clothing is a guarantee of its quality, so the brand's history, style, and positioning are important factors considered by consumers when purchasing clothes.

(3) Better service quality

Today's society seeks a more refined consumption experience, not only seeking high-quality products, but also the level of product knowledge among service personnel, after-sales service, and positive customer interactions, which are all aspects of our customer-oriented service philosophy.

(4) Competition

Clothes are daily necessities. Apart from competition from other products in the same industry, there is no risk of them being replaced. The Company has a clear understanding of customer segmentation, and thoroughly evaluates customer segments, sales channels, and market acceptance during product development. We also enhance the features and styles of each brand, and actively introduce new brands to diversify the risks of individual brands. The Company is the exclusive agent for the international golf apparel brand Munsingwear and sportswear brand Le Coq Sportif, which are mid-to-high-priced brands with clear positioning. This gives us a competitive advantage and effectively lowers the risk of competition from peers in the industry.

(III) Overview of Technology and R&D

1. R&D expenses

The Company is an authorized agent for clothing brands in department stores and shopping malls, and therefore does not have any R&D expenses.

2. Successfully developed technologies and products

The Company has not obtained authorization to become the agent for a new brand in the most recent year and up to the date of report.

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

1. Short-term business development plans

(1) Marketing strategies

A. Integrate various sales resources and actively seek to become the agent for well-known international brands.

B. Expand the scale of operations and increase market share in the domestic high-end apparel market.

C. Strengthen the assessment of market segments to accurately position products and improve the performance of brands.

D. Improve the competencies of service personnel and improve customer satisfaction to strengthen consumer loyalty.

E. Develop a centralized customer management system for more effective access to the data of main customers and to perform cross-analysis, which will help expanding the customer base for various brands.

F. Increase brand and product visibility through public relations activities and exposure on various media and social media platforms.

(2) Product development

A. Maintain high-quality product design and increase the percentage of product designs entrusted by brands to Munsin Garment Corp.

B. Analyze computer sales data to identify promising and popular products, thereby enhancing product competitiveness.

(3) Financial planning

A. Strengthen financial planning and management abilities.

B. Adopt a sound approach and flexibly utilize financial tools to lower operational risks and enhance competitiveness.

C. Replenish working capital through the capital market to support future development needs.

(4) Business administration

A. Implement internal control and internal audit systems to enhance internal management efficiency and reduce corruption.

B. Establish a point-of-sale management system to improve product management performance.

C. Formulate a training plan to train reserve cadres for future business expansion.

2. Long-term business development plans

(1) Establish a sales network in coordination with the opening of domestic department

stores

Domestic department stores are currently the Company's main sales channels. Therefore, we will carefully evaluate the brands suitable for each location, and open new counters when new department stores are opened in the future, thereby building our sales network.

(2) Increase the Company's visibility, improve business performance, and expand connections to improve the success rate of obtaining brand agent authorization.

Due to intense market competition to become brand agents, the company's reputation, financial position, business performance, and scale of operations are often taken into consideration by brands. Strengthen the trust of brands in the Company and attract the attention of new brands to increase the success rate of obtaining authorization to become their agent.

(3) Become the agent for multiple high-end apparel brands to reduce the impact of a single brand on the Company's business

The Company will continue to analyze the current high-end apparel market and continue to introduce new brands without affecting the market share of existing brands through precise market positioning of brands. This will reduce the impact of any individual brand on the Company and mitigate operational risks.

II. Overview of market, production, and sales

(I) Market analysis

1. Regions where the Company's main products (services) are sold (provided)

Brand Name	Sales region
Munsingwear	Major department stores, reputable distributors, and franchisees in various counties and cities in Taiwan
le coq sportif GOLF	Major department stores, reputable distributors, and franchisees in various counties and cities in Taiwan
le coq sportif	Major department stores, reputable distributors, and franchisees in various counties and cities in Taiwan
HAZZYS	Major department stores in Taiwan
NARA CAMICIE	Major department stores in Taiwan
ココディール	Major department stores in Taiwan
POU DOU DOU	Major department stores in Taiwan

Brand Name	Sales region
DANSKIN	Major department stores in Taiwan
and per se	Major department stores in Taiwan
PEARLY GATES	Major department stores in Taiwan
SCOTTISH HOUSE	Major department stores in Taiwan

2. Market share and future market supply/demand and growth

(1) Market share

The Company mainly sells apparel and accessories of foreign brands. In terms of overall market share, the products and brands we distribute are rather unique, and are mainly golf and sportswear. We also expanded into fashion apparel in recent years. However, due to the wide range of apparel products, it is hard to obtain accurate statistics due to the different products and target customer groups of different brand agents, as well as the multitude of businesses with no brand, brands that are not well known, and well-known brands. Moreover, no professional institutions or government agencies have compiled statistics of the market share of individual companies due the relatively small apparel market in Taiwan. However, the Company's total sales revenue in department stores and shopping malls in Taiwan was approximately NT$1,566,485 thousand in 2025, accounting for 0.34% of the total sales revenue of department stores and shopping malls. Due to the wide variety of goods sold in department stores and shopping malls, aside from men's and women's clothing, the sales revenue from men's and women's products, supermarkets and restaurants, home appliances and home furnishings, and stationery and art products are also included in the statistics. Therefore, the Company's actual market share should be higher.

Changes in the turnover of department stores in Taiwan and the percentage of retail of general merchandise accounted for by departments stores Unit:%,NT$100 million

Item	2021	2022	2023	2024	2025
As a percentage of revenue from retail of general merchandise	27.19	28.99	29.98	29.10	28.65
Revenue	3451.43	3987.62	4427.03	4491.16	4555.17
Annual growth rate	-3.10	15.54	11.02	1.45	1.43

Source: Department of Statistics, Ministry of Economic Affairs

(2) Future market supply, demand, and growth

The Company mainly sells clothing and accessories of foreign brands in Taiwan. The market is easily affected by popular culture and season. Consumer demand will increase when there are new arrivals or the season changes, and the number of counters in each department store is related to sales revenue. Therefore, market growth is easily affected by the domestic market and the economy.

According to the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan (press release dated February 13, 2026), the economic growth rate in 2026 is projected to be 7.11%, lower than the projected 8.68% in 2025. Despite the slowdown in growth momentum, private consumption is expected to grow 2.51% in 2026, higher than the 1.46% forecast for 2025. This is due to expectations that corporate profits will increase wages and dividends, which will increase household disposable income and maintain consumption momentum. However, the growth of private consumption is expected to be limited due to inflation, geopolitics, and the uncertainties brought by tariffs.

New department stores that opened in Taiwan in 2025 include Mitsui Shopping Park LaLaport Nangang, Eslite Spectrum Tainan, Dream Plaza, and Shin Kong Mitsukoshi Tainan Xiaobeimen Store. Far Eastern Garden City and Taichung's Hanshin Intercontinental Shopping Plaza, which were originally scheduled to open in 2025, have been postponed to the first and second quarters of 2026, respectively. Several new shopping malls are expected to open in 2026. Unlike in northern Taiwan, where many shopping malls are urban-type malls jointly developed with MRT and train stations, shopping malls in central and southern Taiwan are mainly large-scale malls in redevelopment zones. In 2026, the size of department stores in Taiwan will continue to increase. As operators actively introduce major domestic and international brands and diversify their offerings of restaurants and entertainment, the comprehensive shopping environments will increase people's dwell time, attract crowds, and stimulate consumer demand.

Timeline of New Department Store Openings in Taiwan in 2025-2026

Opening time	Shopping mall	Region	Area
2025.03	Mitsui Shopping Park LaLaport Nangang	Taipei City	47,000 ping
2025.06	Eslite Spectrum Tainan	Tainan City	6,000 ping
2025.07	Dream Plaza	Taipei City	7,500 ping
2025.09	Shin Kong Mitsukoshi Tainan Xiaobeimen Store	Tainan City	11,000 ping
2026	The Sky Taipei	Taipei City	-
2026	Breeze Nangang	Taipei City	2,500 ping
2026	Shilin MRT Station TOD Development	Taipei City	-
2026	CityLink Sanchong	New Taipei City	1,974 ping
2026	Cathay Landmark Plaza Taoyuan Phase 2	Taoyuan City	6,500 ping
2026	Landmark Plaza Xiaohui Creek	Taoyuan City	3,500 ping
2026	Hanshin Intercontinental Shopping Plaza	Taichung City	34,000 ping
2026	Mitsui Outlet Park Tainan Phase 2	Tainan City	3,000 ping
2026	E Sky Mall Phase 2 (Building B)	Kaohsiung City	20,000 ping
2026	Mitsui Shopping Park LaLaport Kaohsiung	Kaohsiung City	21,000 ping

Source: sc2100.com, December 2025

The industry is expected to grow moderately in 2026 with the opening of new shopping malls, renovation of existing shopping malls, and the shopping experience provided through themed events and new malls, which will benefit the Company's revenue performance.

3. Competitive niche

The Company's competitive niche is as follows:

(1) Clear market positioning of products

We put ourselves in consumers' shoes when positioning our products in the market, providing what consumers need, while also taking into account whether the risks of the products in actual operations are properly controlled. The Company targets consumers in the upper-middle class, and provides products that align with our market positioning. We avoid blindly competing on price and instead win with superior products and services.

(2) A keen grasp 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 been increasing each year, becoming equally important as Japanese style clothing. The Company is aware of this trend of Korean style clothing, and not only continues to develop new Japanese-style products, but is also introducing Korean fashion clothing for Taiwan's market to expand its market share. We obtain timely information on fashion trends by partnering with Japanese and Korean companies and through a professional market analysis team, which has improved our understanding of trends in the apparel market.

(3) Product differentiation

Due to the high homogeneity of domestic apparel products, we regularly purchase new products overseas to set ourselves apart from other companies. In addition to providing different consumer services, we are actively implementing the strategy of product differentiation to attract consumers and turn them into our main customers, thereby enhancing our competitiveness.

(4) Stable partnerships with brands

Most original brand manufacturers authorize their brands in large regions to simplify management. Taiwan is in Asia and Japanese companies have obtained authorization from most original brand manufacturers for Asia. Therefore, the Company obtains authorization from Japanese companies to become a brand agent under the same model. Japanese companies attach great importance to integrity and long-term business relationships. Therefore, we have established a foundation of mutual trust through long-term cooperation with Japanese companies, and this has increased our chance to obtain priority renewal right for brand agreements.

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

The Company's products are from high quality, high price, well-known brands in line with the market positioning of department stores. The Company has therefore established a long-term mutually beneficial business relationship with department store operators. This business relationship enables the Company present products to the customers who need them once the products are released, improving the Company's sales performance.

4. Favorable and unfavorable factors to the Company's future development and response strategies

(1) Favorable factors

A. Long-term mutually trusting relationship with international brands

The Company has been an agent for the international brand Munsingwear for over four decades. Japanese brands attach great importance to mutual trust with their business partners. Hence, our years of close cooperation with several of Japan's top trading companies will give us a better chance of obtaining authorization to become an agent for international apparel brands.

B. Products meet the needs of Taiwan's market

The Company sells products that are suitable for Taiwan's market. Taiwan is deeply influenced by Japanese culture, not just the older generation, the influence of Japanese fashion trends can be seen in the fashion trends in Taiwan. In addition, Japanese department stores (such as Shin Kong Mitsukoshi, SOGO and Mitsui Outlet Park) have similar management styles and business cultures to Taiwan. Selling clothing and accessories at counters in Japanese department stores is in line with the consumption habits of Taiwanese people. The Japanese brands that we distribute are not only popular among consumers, but are also brands that Japanese department store operators are familiar with. This enables us to achieve a good working relationship with them. In addition, we have been actively working with Korean companies due to the popularity of Korean brands in recent years, and successfully introduced the products of Korean brands, which have also gained the recognition of department store operators and consumers.

(2) Unfavorable factors and response measures

A. Foreign exchange risks of imported goods

The Company sells clothing and accessories of foreign brands, so most of our products are imported, resulting in a higher exchange rate risk. Since the Company's main market is Taiwan and our products are mainly imported, our cash flow involves payment in foreign currency and income in New Taiwan Dollars. Therefore, exchange rate fluctuations will affect our product prices and profits.

Response measures:

Exchange rate fluctuations are an unavoidable risk for the Company. The Company plans purchases by dividing a fiscal year into spring/summer (March to August) and autumn/winter (September to February of the following year), so the exchange rate fluctuations are already factored into prices of new arrivals. However, there are significant exchange gains and losses due to the difference between the time payment is made in foreign currency and the time the purchase of goods is recognized in accounts. Overall, exchange rate risk is appropriately reflected in product prices and therefore should not have a material impact on the Company's operations.

B. Rapid changes in the apparel market and product prices drop quickly

The Company sells clothing and accessories of foreign brands. Fashion trends move rapidly in the market, and once a trend fades, product prices drop quickly due to clearance sales by competitors.

Response measures:

Due to rapid changes in the apparel market and product prices dropping quickly, we pay attention to how trendy a brand is when introducing brands. Therefore, our current products mainly consist of sportswear and casual wear, as well as women's office wear. These products are less affected by fashion trends and are less prone to rapid price drops. In addition, we mitigate the impact of this risk for women's fashion clothing by improving the accuracy of procurements through sell-through rate analysis.

C. Cash can easily become tied up in the large inventory required to stock up on all product specifications

The Company must offer a full range of product specifications to meet customer needs due to differences in consumer preferences, height, and body type. This unique industry characteristic makes it necessary for companies to maintain higher inventory levels and can easily tie up cash.

Response measures:

The Company keeps track of inventory through a complete inventory control system based on inventory management indicators, such as inventory turnover ratio and sell-through rate. Moreover, we have developed a consistent method for clearing inventory over the years, and use a reasonable discount policy to control inventory levels.

D. The effect of an M-shaped society on consumer behavior

The middle class that represents wealth and stability is rapidly disappearing in an M-shaped society, with most moving to the lower-middle class. This has led to the rise of affordable fashion consumption, and international brands such as UNIQLO and ZARA have expanded into Taiwan's market, further intensifying competition in various shopping districts.

Response measures:

The Company has built its main customer base through product differentiation based on clear market positioning and keen grasp of fashion trends. We adopted a segmented marketing strategy and use different brands to capture different types of customers. We introduce well-designed, high-quality products with fine workmanship to differentiate the products from affordable products, and work with suppliers to offer more competitive prices to attract consumers, thereby mitigating the impact of this risk.

E. Emerging technologies have boosted the growth of online apparel sales

As emerging technologies matured in recent years, an increasing number of consumers are now more accepting of AI-assisted tools, including virtual try-on, voice search, and AI recommendations, which has greatly improved the success rate of online shopping orders. The influence of live streaming on apparel e-commerce has attracted a large number of young fans, which reflects the shift of apparel consumption from offline to online.

Response measures:

The Company has increased sales through e-commerce platforms, such as setting up an online sales platform on our official website, selling products on MOMO Shopping, Yahoo, Shopee, and the mobile app developed with the assistance of 91app, and utilized social media, such as: Facebook, Instagram, official website, and LINE, as marketing tools to diversify sales channels, in order to adapt to changing consumer habits.

(II) Important applications and production processes of main products

The Company mainly sells clothing and accessories, and our main products are clothing and accessories of domestic and international brands that consumers use directly. In addition to providing general clothing that consumers wear, we also introduce products with different specifications for special customer groups. For customers who enjoy outdoor sports, we introduced golf apparel that is both comfortable and stylish. For women, we offer women's accessories and clothing that emphasize both fashion and quality. The clothing products that we offer are not only functional, but also status symbols. In addition, our products are mainly imported clothing and accessories of foreign brands. We do not have factories for manufacturing wearing apparel.

(III) Supply of main raw materials

Product name	Main suppliers	Status of supply
Clothing and accessories	Descente Japan, Teijin, Ruisong, LF, Aiia, Ching Tai, TSI Inc., Sunfine, Waqing, Coo H.K.	Good

The Company's main products are clothing and accessories, which are mainly imported from original brand manufacturers. Our suppliers are mainly well-known international clothing brands from Japan, South Korea, and China. We have built a good partnership with our suppliers after working with them for many years.

(IV) The names of customers who have accounted for more than 10% of the total purchase in any of the last two years and the amount and proportion of their purchase, together with the reasons for the increase or decrease

Information on major suppliers in the last two years

Unit: NT$ thousand

	2024				2025			
Item	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with issuer
1	DESCENTE JAPAN LTD.	338,977	32.17	Note	DESCENTE JAPAN LTD.	311,380	34.47	Note
2	Other	714,663	67.83		Other	591,890	65.53	
	Net purchase	1,053,640	100.00		Net purchase	903,270	100.00	

Note: It is a subsidiary directly or indirectly held by the Company's directors.

Information on major customers in the last two years

Unit: NT$ thousand

	2024				2025			
Item	Name	Amount	As a percentage of net sales (%)	Relationship with issuer	Name	Amount	As a percentage of net sales (%)	Relationship with issuer
1	Customer A	284,638	14.82	None	Customer A	287,236	14.67	None
2	Customer D	224,903	11.71	None	Customer B	282,427	14.42	None
3	Customer C	219,770	11.45	None	Customer C	223,319	11.40	None
4	Customer B	216,139	11.26	None	Customer D	189,260	9.66	None
	Other	974,716	50.76		Other	976,024	49.85	
	Net Sales	1,920,166	100.00		Net Sales	1,958,266	100.00	

1. Explanation of changes in major suppliers

Descente Japan Ltd. is a supplier for the Company's main brands Munsingwear, le coq sportif GOLF, and le coq sportif. The decrease in its purchase amount is mainly due to le coq sportif GOLF and le coq sportif reducing their purchases to clear inventory.

2. Explanation of changes in major customers

The Company's products are mainly sold to department stores, and the changes in sales amount and percentage are mainly related to the number of counters at each department store and their sales performance. The sales amount and percentage accounted for by Customer D in 2025 decreased compared to the same period last year, mainly because Customer D's Taichung store was closed for 7 months after the gas explosion in February 2025 and wasn't reopened until September. The sales amount and percentage accounted for by Customer B increased compared to the same period last year because its Nangang store opened in March 2025. The sales amounts of Customer A and Customer C increased slightly compared to the same period last year, but the percentage of sales they accounted for were not significantly different from the same period last year.

III. Information of employees in last two years and up to the date of report (including number of employees, average number of years with the company, average age, and education)

Information on employees in the last two years up to the date of report

Unit: Person

Year		2024	2025	The current year up to March 31, 2026
Number of employees	Management Department	158	158	160
	Business Department	533	538	549
	Total	691	696	709
Average age		45	46	46
Average years of service		8.23	8.1	8.1
Breakdown by education	Ph.D.	0%	0%	0%
	Master's degree	0%	0%	0%
	Bachelor's degree	52%	52%	52%
	Senior high school	48%	48%	48%
	Below senior high school	0%	0%	0%

IV. Information on environmental protection expenses

The Company's main business is acting as an agent for foreign apparel brands. The Company is not a manufacturing company and therefore does not have information on environmental protection expenses. Furthermore, due to the characteristics of the industry, the Company is not affected by the EU Restriction of Hazardous Substances (RoHS) Directive.

V. Labor-management relations

(I) The Company's employee benefit measures, education, training, retirement system and its implementation, as well as labor-management agreements and various employee rights protection measures

1. The Company has a sound and human-based management system and welfare measures, and provides good communication channels for employees. There have been no major labor-management disputes in recent years. Employee benefits include: Commission bonuses, performance bonuses, year-end bonuses, birthday gifts, wedding and funeral subsidies, emergency medical assistance, discounts on goods, travel and accommodation subsidies for business trips, domestic and overseas employee trips, free buffet in the employee cafeteria, and daily shuttle service for commuters.
2. In terms of employee training, the Company plans and organizes training courses for employees every year. In addition to internal training courses, such as courses for new employees and professional skills courses, employees are also allowed to participate in external training courses or seminars organized by relevant institutions. In addition, the Company organizes fire safety and first aid training courses every year, and promotes labor safety and laws and regulations during mobilization meetings in accordance with government regulations. The Company encourages employees learn foreign languages (e.g., English, Japanese, and Korean) by providing tuition subsidies. Employees receive a bonus for passing language proficiency tests as an incentive.

   The implementation status of employee training in 2025 is summarized below:

Item	Total number of courses	Total number of people	Total number of hours	Total cost (NTD)
New employee orientation	4	19	20	0
General education courses	7	600	17	0
Professional competency courses	16	36	135	114,480
External seminar courses	14	26	92	0
Language courses	112	6	258	23,080
Total	153	687	522	137,560

3. The Company's Employee Welfare Committee and Pension Fund Supervisory Committee both convene regular meetings to discuss and provide employees with the benefits they are entitled to.

(II) Losses sustained due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the last two years and up to the date of report, and disclose current and future estimated amounts and response measures; if it cannot be reasonably estimated, describe the facts that cannot be reasonably estimated

The Company did not sustain any losses due to labor-management disputes in the most recent year and up to the date of report.

VI. Information Security Management

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

1. Information security risk management framework

(1) President's Office: Responsible for formulating annual plans, assisting departments in formulating department-level plans, and evaluating long-term business policies to reduce strategy risks.

(2) Internal Audit Office: Responsible for auditing and evaluating the operations of each department and assisting in improving risk management and control. The Internal Audit Office is also responsible for evaluating the appropriateness and effectiveness of corporate governance based on risk assessment results.

(3) Computer Room: Responsible for establishing the information system framework and setting up a high availability remote backup server and data backup mechanism based on the risk level, so as to ensure that services are not interrupted. Also responsible for delivering storage media containing backup data to the remote storage site. Strengthen simulation testing and emergency response drills for server rooms to ensure the information system's normal operation and data security, lowering the risk of system suspension caused by an unexpected natural disaster or negligence. Plan, design, and upgrade hardware and software based on the risk level, and improve operating procedures. Coordinates and implements information

security policies, provides information on information security, raises employees' information security awareness, and collects and improves technologies, products, or procedures for the performance and effectiveness of the organization's information security management system.

2. Information security policy

The Company established the Internal Control System - Computer Cycle and Information Security Management Guidelines to implement information security management.

(1) Ensure the confidentiality and integrity of information assets.

(2) Ensure data access is regulated according to department functions.

(3) Ensure the continued operation of information systems.

(4) Prevent unauthorized modification or use of data and systems.

(5) Regularly conduct information security audits to ensure the implementation of information security.

(6) Join TWCERT/CC to obtain information for the prevention of information security incidents, and to immediately report any major information security incidents.

3. Specific management plans

Internet information security control	Data access control	Response and recovery mechanisms	Employee awareness campaigns
• Set up a firewall • Regularly conduct virus scans on computer systems and data storage media • The use of Internet services should be carried out in accordance with the information security policy • Regularly review the system log of various Internet services and track abnormal situations	• Computer equipment should be held in the custody of dedicated personnel and protected by accounts and passwords • Grant different access rights based on functions • Revoke the original permissions of personnel who are transferred • Confidential and sensitive information and copyrighted software must be deleted or overwritten before equipment is discarded	• Regularly review emergency response plans • Annual system recovery drills • Establish system backup mechanism and implement remote backup • Regularly review computer network security control measures • Any major information security incidents must be immediately reported to TwCert	• Promote information security and raise employees' information security awareness

4. Resources invested in information security management
   (1) Regular promote information security concepts to users of the Company's information and communication systems.
   (2) Cultivate professionals in information and communications security.
   (3) Periodically sign annual maintenance contracts for information security equipment with SI partners, and irregularly conduct information security incident drills and disaster recovery exercises.

(II) Losses sustained by the company in the most recent year and up to the date of report due to major information security incidents, the possible impacts, and response measures. If a reasonable estimate cannot be made, provide an explanation of the facts of why it cannot be made

1. The Company currently has not sustained any damages due to major information security incidents.
2. We will continue to implement information security management policies and goals, and regularly conduct recovery plan drills to protect the security of the Company's important systems and data.

VII. Important contracts

Due to confidentiality agreements with our upstream brand suppliers, we are unable to disclose related information. Other important contracts are listed below:

Nature of contract	The Parties	Commencement date/ expiration date	Content	Restrictive clauses
Loan contracts	Taiwan Cooperative Bank	2025.05.28 -2026.05.28	Credit facility	Joint guarantor
Loan contracts	Hua Nan Commercial Bank, Ltd.	2025.12.31 -2026.12.31	Credit facility	None
Loan contracts	CTBC Bank Co., Ltd.	2025.11.30 -2026.11.30	Credit facility	Mortgaged the Wugu Office
Loan contracts	First Commercial Bank, Ltd.	2025.12.31 -2026.12.31	Credit facility	Mortgaged the Kaohsiung warehouse and Taichung and Kaohsiung offices
Loan contracts	Union Bank of Taiwan	2025.03.07 -2026.03.07	Credit facility	None
Loan contracts	Taiwan Business Bank, Ltd.	2025.11.26 -2026.11.26	Credit facility	None
Loan contracts	Taipei Fubon Commercial Bank Co., Ltd.	2025.03.23 -2026.03.23	Credit facility	None
Loan contracts	Cathay United Bank	2025.03.29 -2026.03.29	Credit facility	None
Construction contracts	De Te Si Te Construction Co., Ltd.	2024.01.18 - Acceptance completed	Construction of a warehousing center	None

Chapter 5. Review and Analysis of Financial Position, Financial Performance, and Risk Management

I. Financial position

Comparative analysis of financial position

Unit: NT$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	1,489,667	1,438,296	(51,371)	(3.45)
Property, plant and equipment	363,996	447,165	83,169	22.85
Intangible assets	30,081	24,954	(5,127)	(17.04)
Other assets	204,485	222,767	18,282	8.94
Total assets	2,088,229	2,133,182	44,953	2.15
Current liabilities	419,263	432,686	13,423	3.20
Long-term liabilities	0	0	0	0
Other liabilities	60,342	68,208	7,866	13.04
Total liabilities	479,605	500,894	21,289	4.44
Share capital	646,269	646,269	0	0
Capital surplus	463,666	463,666	0	0
Retained earnings	506,792	530,358	23,566	4.65
Other equity	(8,103)	(8,005)	98	1.21
Total shareholders' equity	1,608,624	1,632,288	23,664	1.47

Analysis of changes (not analyzed if the change does not reach 20%):
Property, plant and equipment: This is mainly due to the construction of a warehousing center in 2025, which resulted in an increase in unfinished projects compared to the same period last year.

II. Financial performance

(I) Main reasons for material change in operating revenues, operating profit, or net income before tax in the past two years

Unit: NT$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	1,920,166	1,958,266	38,100	1.98
Operating costs	878,683	900,408	21,725	2.47
Gross profit	1,041,483	1,057,858	16,375	1.57
Operating expenses	764,055	779,619	15,564	2.04
Operating profit	277,428	278,239	811	0.29
Non-operating income and expense	32,847	41,656	8,809	26.82
Net profit before tax of the current period	310,275	319,895	9,620	3.10
Income tax expenses	62,201	63,981	1,780	2.86
After-tax net profit of the current period	248,074	255,914	7,840	3.16
Analysis of changes (not analyzed if the change does not reach 20%): Non-operating income and expenses: Mainly due to the increase in share of profit of affiliates and joint ventures recognized under the equity method, as well as foreign exchange gains, compared with the same period last year.				

(II) Expected sales volume and its basis

The Company's projected sales volume for 2026 is based on the Company's business strategy, the sales targets and budgets of each unit, and reasonable assumptions of the overall industry's outlook, development trends, and past business performance. The projected sales volume is as follows:

Product name	Projected sales volume (in thousands) for 2026
Clothing products	931
Accessories	187

(III) Potential impact future financial position and business performance and response plan:

The Company is in a sound financial position and achieved good profits in the current period. We also have long-term funding sources to cover related expenses, so there is no shortage of funds. Therefore, the changes in the Company's financial performance in the past two years have not had a significant adverse impact on the Company, and the Company's overall performance has not shown any major abnormalities, so there is no need to formulate a response plan.

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year:

Unit: NT$ thousand

Item \ Year	2024	2025	Change	
			Amount	Percentage (%)
Cash inflow (outflow) from operating activities	58,364	273,384	215,020	368.41
Cash inflow (outflow) from investing activities	(93,278)	(134,790)	(41,512)	(44.50)
Cash inflow (outflow) from financing activities	232,153	(207,161)	(439,314)	(189.23)

The main reasons for changes in cash flow in the most recent year are as follows:

1. The net cash inflow from operating activities increased by NT$215,020 thousand, mainly because the Company did not become the agent for or purchase new brands in 2025 compared to the same period last year, resulting in a decrease in purchases in 2025 compared to the same period last year.
2. The net cash outflow from investing activities increased by NT$41,512 thousand, mainly due to the expenditure on the construction of a warehousing center in 2025.
3. The net cash inflow from financing activities decreased by NT$439,314 thousand, mainly because there were no cash capital increases in 2025 compared to the same period last year, resulting in a decrease in cash inflow from financing activities in 2025 compared to the same period last year.

(II) Improvement plan for insufficient liquidity: The Company does not have insufficient liquidity.

(III) Liquidity analysis for the coming year:

Unit: NT$ thousand

Cash balance at beginning of period (1)	Net cash inflow (outflow) from operating activities (2)	Net cash inflow (outflow) from investing and financing activities (3)	Cash surplus (shortage) (1)+(2)-(3)	Remedial measures for cash deficit	
				Investment plan	Financial plan
199,100	316,488	(351,497)	164,091	-	-

Analysis of cash flow changes:

1. Operating activities: The cash inflow from operating activities is mainly due to the expectation that operating revenue will continue to grow steadily and generate net cash inflow.
2. Investing activities: The cash outflow from investing activities is mainly due to payments for the construction of a warehousing center.
3. Financing activities: The cash outflow from financing activities is mainly due to payments of cash dividends.

IV. Effect of major capital expenditures on financial position and business operations in the most recent year

In 2024, the Board of Directors adopted the resolution to build a logistics center on the Company's own land. Once the logistics center is completed, it will provide the additional storage space needed by the Company for business growth, and will save on warehousing rental expenses. This will not have a significant impact on the Company's financial position and business performance.

V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year

(I) Investment policy in the most recent year:

The Company's investment policy focuses on the core business. We do not make any investments outside our core business. The Company has established an "Investment Cycle" and "Procedures for the Acquisition or Disposal of Assets," and related investment plans have been carried out in accordance with the aforementioned regulations.

(II) Main reason for profit/loss in the most recent year and improvement plan:

Unit: NT$ thousand; %

Investee company	Direct (indirect) investment ratio (%)	Investment gains (losses) recognized in the most recent year (2025)	Main reason for profit or loss	Improvement plan
Bidford Holdings Limited	25.69	35,074	Investment gains of the subsidiary Munsin (Shanghai) Trading Co., Ltd. recognized using the equity method.	-
Munsin (Shanghai) Trading Co., Ltd	25.69	35,064	The increase in investment gains was mainly due to Munsin (Shanghai) Trading Co., Ltd. adding new counters, eliminating counters with poor performance, and strengthening the management of special offers in 2025.	-

(III) Investment plans for the coming year

The Company has no specific investment plans for the coming year. Any investment plans in the future will be handled in accordance with regulations.

VI. Risk assessment for the most recent year and up to the date of report

(I) Impact of interest rate and exchange rate changes and inflation on the company's profit and response measures

1. Impact of changes in interest rate on the Company's profits and losses and future response measures

   The Company's interest income was NT$1,265 thousand and NT$2,093 thousand in 2024 and 2025, respectively, accounting for 0.07% and 0.11% of net operating revenue; interest expenses were NT$5,129 thousand and NT$4,576 thousand, respectively, accounting for 0.27% and 0.23% of net operating income, showing that changes in interest rates have a negligible impact on profit and loss. Furthermore, the Company maintains good relationships with banks, and will closely monitor interest rate trends and adjust its loan structure as needed, taking necessary measures to mitigate the risk of rising interest rates.

2. Impact of changes in exchange rate on the Company's profits and losses and future response measures

   The Company's foreign exchange gains were NT$461 thousand and NT$3,336 thousand in 2024 and 2025, respectively, accounting for 0.02% and 0.17% of net operating revenue. The Company's procurements are mainly denominated in US dollars, Japanese yen and Chinese yuan. The fluctuations in exchange gains and losses are mainly due to the impact of exchange rate changes in the current year. We closely monitor information related to exchange rate fluctuations, stay up-to-date on exchange rate trends, and adjust foreign currency assets and liabilities in a timely manner based on the global economic situation, exchange rates, and future funding needs. This enables us to mitigate the risks of exchange rate fluctuations and reduce the impact on the profits and losses.

3. Impact of inflation on the Company's profits and losses and future response measures

   The Company monitors price fluctuations of original brand manufacturers and accessories, maintain good relationships with original brand manufacturers, and makes timely adjustments product prices and inventory of apparel and accessories in response to price fluctuations, which will mitigate the impact of inflation on the Company.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

The Company focuses on its core business and does not engage in high-risk, high-leverage investments, lending to others, endorsement, guarantees, or derivatives trading.

(III) Future R&D projects and expected R&D expenses

The Company does not have an R&D department, and therefore does not have any future R&D projects or expenses.

(IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business performance, and response measures

The Company closely monitors changes in policies and laws that may affect its operations, and adjusts its internal systems accordingly to ensure smooth operation. In the most recent year and up to the date of report, changes in important domestic and international policies and laws have not had a material impact on the Company's financial position and business performance.

(V) The impacts of technology changes (including information security risks) and industry changes on the Company's financial position and business performance, and response measures

The Company closely monitors technology changes in the industry. The Company mainly sells apparel and accessories of domestic and international brands through traditional sales channels, such as department stores, shopping malls, and retail outlets. However, we have diversified our sales channels due to technology changes and the rise of the Internet. The Company has established an E-commerce Department and is actively engaging in online sales. We have also launched a shopping app and an official shopping platform to actively develop the online sales market. The Company has established an information security policy and related regulations to address information security risks. In addition, the Company has established a dedicated information security unit and appointed a chief information security officer on March 11, 2022, to oversee and formulate information security policies. The Company's financial position and business performance have not been significantly impacted by any technology changes (including information security risks) and industry changes in the most recent year and up to the date of report.

(VI) Impact of change in corporate image on crisis management and response measures

The Company has always adhered to the principles of professionalism and integrity in its operations, and attaches great importance to corporate image and risk management. We have not faced any crisis management situations due to changes in corporate image in the most recent year and up to the date of report.

(VII) Expected benefits and potential risks of merger and acquisition and response measures

The Company does not have any merger or acquisition plans in the most recent year and up to the date of report. However, if the Company has any plans for merger or acquisition in the future, it will be handled in accordance with relevant laws and management regulations to protect the Company's interests and shareholders' rights.

(VIII) Expected benefits and potential risks of capacity expansion and response measures

The Company acquired land in Yangmei District, Taoyuan City in December 2023 to meet the warehousing needs from its future business growth. The Board of Directors on January 17, 2024 approved the construction of a logistics center and signed the construction contract. Potential risks such as funding and business conditions were considered before the investment, and response measures were formulated. The Company will adjust its capital expenditure and financing plans as appropriate based on the actual situation.

(IX) Risks associated with over-concentration in purchase and sale and response measures

1. Risks associated with over-concentration in purchase and response measures:

Purchases from Descente Japan Ltd. accounted for 34.47% all purchases made by the Company in 2025, indicating an over-concentration of purchases. This is mainly because the Company acts as an agent for and is responsible for the sales of products of Descente Ltd. The Company will continue to introduce other brands to mitigate the influence of any individual supplier. All other suppliers account for less than 10% of the Company's purchases, so purchases are still somewhat diverse. Descente Ltd. invested in the Company in 2011 and is currently a shareholder holding more than 10% of the Company's shares and an institutional director. Therefore, the risk of over-concentration of purchases to the Company is still controllable.

2. Risks associated with over-concentration in sale and response measures

The Company's largest customer accounted for 14.67% of total sales in 2025, so there was no over-concentration of sales.

(X) Impact of mass transfer or exchange of equity by directors or shareholders holding more than 10% of the Company's shares, associated risks, and response measures

There was no mass transfer or exchange of equity by directors or shareholders holding more than 10% of the Company's shares that had a material impact on the Company's operations in the most recent year and up to the date of report.

(XI) Impacts and risks arising from changes in management rights of the Company and response measures:

There were no changes in management right in the most recent year and up to the date of report. The Company has strengthened its corporate governance measures and established an Audit Committee to provide better protection for shareholders' rights and interests.

(XII) For litigious and non-litigious events, if the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the Company and its directors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of report

The Company was not involved in any litigious and non-litigious events in the past year and up to the date of report.

(XIII) Other significant risks and response measures

The Company has consistently maintained sound operations. As we are in the department store retailing industry, relevant risk factors generally have a far lower impact on the Company compared to other industries. Therefore, there are no other significant risks that impact the Company's operations.

VII. Other material matters

None.

Chapter 6. Special Notes

I. Information on affiliated enterprises

(I) Consolidated business report of affiliated enterprises: None.

(II) Consolidated financial statements of affiliated enterprises: None.

(III) Affiliation Report: None.

II. Private placement of securities in the most recent year and up to the date of report

None.

III. Other supplemental information

None.

IV. Matters, if any, that may affect shareholders' equity or stock prices specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date of report

None.

Munsin Garment Corporation

Chairman: Li Chiun Liang