

Stock Code: 2911

les enphants Co., Ltd.

2025 Shareholders' Meeting

Meeting Handbook

June 2, 2025

Table of Contents

	Page
Meeting Procedure	2
Meeting Agenda	3
Reporting Matters	4
Proposal Matters	9
Discussions	10
Election Matters	11
Other Matters	12
Extraordinary Motions	12

Attachments

1. Cross reference list of the amendments to the “Articles of Incorporation”	34
2. Cross reference list of the amendments to the “ Procedures for Making Endorsements and Guarantees”	35
3. List of Candidates for By-election of Directors	36

Appendices

1. Rules and Procedure of Shareholders Meeting	37
2. Articles of Incorporation	40
3. Procedures for Making Endorsements and Guarantees	46
4. Shareholding of All Directors	52

les enfants Co., Ltd.
2025 Annual General Shareholders' Meeting Procedure

- I. Calling the Meeting to order (Announcement of the number of shares in attendance)
- II. Chairperson takes the chair
- III. Chairperson Remarks
- IV. Reporting Matters
- V. Proposal Matters
- VI. Discussions
- VII. Election Matters
- VIII. Other Matters
- IX. Extraordinary Motions
- X. Adjournment

les enfants Co., Ltd.

2025 Shareholders' Meeting Agenda

- I. Means of Meeting: Physical Shareholders' Meeting**
- II. Time: 9 a.m., June 27, 2025 (Friday)**
- III. Venue: Education Training Center at B1, No. 60, Alley 321, Yangguang St., Neihu Dist., Taipei City**
- IV. Calling the Meeting to order**
- V. Chairperson Remarks**
- VI. Reporting Matters:**
 - (I) 2024 Business Report.
 - (II) 2024 Employees' and Directors' Remuneration Distribution Report.
 - (III) 2024 Audit Committee's Audit Report.
 - (IV) Report that the company suffered a loss of half of its paid-in capital
 - (V) Report on excess loan balance and improvement plan of subsidiary L.E. Capital Enterprise Co., Ltd..
 - (VI) Report the implementation of the improvement plan for the company's endorsement guarantee balance exceeding the limit
- VII. Proposal Matters:**
 - (I) 2024 Business Report and Financial Statements.
 - (II) Appropriation to Offset Annual Losses of 2024.
- VIII. Discussions:**
 - (I) Amendments to the Article 26 of the “Articles of Incorporation”
 - (II) Amendments to the “Procedures for Making Endorsements and Guarantees”
- IX. Election Matters**
 - (I) By-election of a Director
- X. Other Matters**
 - (I) The motion for relief of new director from non-competition restrictions
- XI. Extraordinary Motions**
- XII. Adjournment**

Reporting Matters

Proposal 1: 2024 Business Report

Dear shareholders:

Les Enphants has dedicated over five decades to the infant and child industry, consistently upholding our core vision, mission, and values. We remain committed to offering every family and parent the highest quality services and choices, bringing love and care to every baby's life. Over the past year, while domestic spending in dining, entertainment, and travel surged, the declining birthrate trend showed no sign of slowing. Despite our continued efforts to reduce losses, our performance still fell short of external expectations. Looking ahead, we will continue to place the baby and child business at the heart of our operations, actively pursue business diversification, and explore emerging markets and opportunities to reinforce our presence in the maternal and infant sector.

Market Overview

According to data released by the Ministry of the Interior, Taiwan recorded 134,856 newborns in 2024, a decrease of 715 from 2023 - marking yet another historic low. Remarkably, even in the traditionally auspicious Year of the Dragon, the number of births was lower than the previous Year of the Tiger. In the same year, the total population declined by 20,222, representing the fifth consecutive year of negative population growth.

Despite an annual GDP growth rate of 4.59%, the primary driver was export performance, particularly in the semiconductor industry. Policies such as the minimum wage increase and salary adjustments for public sector employees contributed to a 2.81% rise in private consumption. However, much of this spending was concentrated in travel, aviation, and overseas markets. In 2024, outbound travel from Taiwan grew by 42.8%, and the Directorate-General of Budget, Accounting and Statistics estimated a 31.5% increase in overseas consumption. In contrast, domestic traditional industries continue to face challenges due to weak internal demand.

In Mainland China, the number of births in 2024 reached 9.54 million, up by 520,000 from the previous year. Besides the cultural significance of the Dragon Year, local governments have rolled out childbirth subsidies and extended maternity leave policies, while falling housing prices have also encouraged some young families to have children. Nevertheless, high youth unemployment, a sluggish property market, weak consumer confidence, and intensifying market competition (or "involution") remain pressing concerns. The overall economic growth in China is expected to continue slowing in 2025. With persistent tensions in U.S.-China relations, a more open trade environment is unlikely in the near term, and the outlook for consumer spending in China remains cautious.

Business Result of 2024

As of the end of 2024, Les Enphants operated a total of 331 directly managed stores across Taiwan and China - 185 in Taiwan and 146 in China - a net decrease of 73 locations compared to the end of 2023. Taiwan saw a net increase of one store, while China saw a reduction of 74.

Due to the reduced number of retail outlets, consolidated group revenue for the year reached NT\$2,806 million, a decrease of 8.7% compared to the previous year. Taiwan accounted for 66.9% of total revenue, with China contributing 33.1%. The gross margin improved to 40.9%, up 0.6 percentage points from 2023. Total operating expenses dropped from NT\$1,800 million to NT\$1,584 million, a 12% reduction. Operating loss narrowed to NT\$437 million, an improvement of NT\$124 million or 22.1% compared to the previous year.

As for non-operating income and expenses, the net amount was NT\$20 million. The full-year net

loss after tax amounted to NT\$422 million, representing a 19.4% year-on-year reduction. Return on assets stood at -8.94%, return on equity at -59.32%, and earnings per share at -NT\$4.07.

Opportunities and Challenges in the Future

Macroeconomic conditions remain our greatest challenge. However, the trend toward later marriage has led to greater financial stability among new parents, who now place higher importance on child-rearing quality and overall lifestyle. Families are increasingly willing to invest in their children's growth and needs, sustaining strong consumer potential within the maternal and infant market.

According to the 2022 China Maternal and Infant Industry Report published by iResearch, China's maternal and infant market is projected to continue expanding, reaching RMB 4.6 trillion by 2025, with an average annual growth rate of approximately 8.2%. Key drivers include rising disposable income, growing demand for quality products, increased brand loyalty, and a stronger willingness to invest in children's education.

To stand out in a competitive landscape, we will continue to track evolving consumer needs as the foundation for product innovation and enhanced customer experiences. By further integrating online and offline channels, we aim to boost customer engagement, increase brand visibility, and expand market share. At the same time, we will strengthen our online presence to meet consumers' increasingly diverse and sophisticated shopping preferences. Furthermore, we remain committed to our core maternal and infant business while driving diversification and actively seeking growth opportunities beyond Taiwan and China, expanding the group's footprint and injecting fresh momentum into our business.

While parenting products evolve rapidly, the love and devotion of parents for their children remain steadfast. In the face of ongoing change, we remain grounded in our belief in positivity, innovation, and perseverance. We will continue to uphold our brand value of "Let kids be themselves," and strive toward our vision: "Where there are children, there is Les Enphants."

We sincerely thank all our employees, customers, and shareholders for your unwavering support as we continue to protect and nurture the growth of every child.

Chairman / Alex Lin General Manager / Wilson Chan Accounting Manager/ Yu Shu-I

Proposal 2: 2024 Employees' and Directors' Remuneration Distribution Report.

- (1) To be processed in accordance with Article 26 of the Company's Articles of Incorporation.
- (2) The Company proposes not to distribute employees' and directors' remuneration this year as it generated pre-tax losses in 2024.

Proposal 3: 2024 Audit Committee's Audit Report

**les enfants Co., Ltd.
Audit Committee's Audit Report**

The Board of Directors has prepared the 2024 Business Report 、 Financial Statements and Appropriation to Offset Annual Losses of 2024. The CPAs of Deloitte & Touche were retained to audit the Financial Statements and has opined that the Financial Statements. The Financial Statement, Business Report, and the Appropriation to Offset Annual Losses have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with the Securities Exchange Act and the Company Act, we hereby submit this Report.

les enfants Co., Ltd.

Convener of the Audit Committee:

Chen Beiweii March 5, 2025

Proposal 4: Report that the company suffered a loss of half of its paid-in capital.

- (1) The company's audited financial statements as of December 31, 2024, show that the accumulated loss to be compensated is NT\$676,294,305, which has reached half of the paid-in capital of NT\$1,051,259,990. According to Article 211 of the Company Law, it must be reported at the shareholders' meeting.
- (2) The Company's loss amounted to one-half of its paid-in capital, mainly due to the adverse factors in recent years such as the declining birthrate, the increase in global raw material costs after the pandemic, and the annual increase in personnel, rental and other expenses, which resulted in consecutive years of losses.
- (3) The Company will continue to integrate supply chain resources, strengthen marketing to enhance brand power, upgrade CRM to increase consumer recognition, and develop new markets and new businesses to generate revenue and reduce costs, so as to reduce losses and create profits as soon as possible.

Proposal 5: Report on excess loan balance and improvement plan of subsidiary L.E. Capital Enterprise Co., Ltd

- (1) Due to the recognition of losses, the net worth of our subsidiary LE Capital Enterprise Co., Ltd. at the end of December 2024 was NTD 33,058,000. The loan balance at the end of February 2025 was USD 1,900,000, which exceeded the limit set by the company.
- (2) The improvement plan proposes to apply for the subsidiary Shanghai Les Enphants Children Articles Co., Ltd. formulate a repayment plan as shown in the table below. Before the improvement plan is completed, the implementation status will be announced quarterly and submitted to the board of directors for control quarterly, and the implementation status will be reported at the next shareholders' meeting

Loan Funding Company	Loan Target	Proposed repayment plan
LE Capital Enterprise Co., Ltd	Shanghai Les Enphants Children Articles Co., Ltd	2025 Q2,50%,USD 950,000 2025 Q3,50%,USD 950,000

Proposal 6: Report the implementation of the improvement plan for the company's endorsement guarantee balance exceeding the limit

- (1) Handled in accordance with the instructions of the Financial Supervisory Commission No. 1140335885 on March 24, 2025.
- (2) The Company's net worth decreased due to the recognition of losses of investment companies, which resulted in the endorsement guarantee to subsidiaries exceeding the limit. The improvement plan is as follows:
 - A. On March 6, 2025, the Board of Directors passed a bill to amend some of the provisions of the " Procedures for Making Endorsements and Guarantees ", raising the endorsement guarantee limit from 50% of the net value of the most recent financial report to 100% of the net value of the most recent financial report.
 - B. The Company will continue to integrate supply chain resources, strengthen marketing to enhance brand power, upgrade CRM to increase consumer recognition, and develop new markets and new businesses to generate revenue and reduce costs, so as to reduce losses and create profits as soon as possible

Proposal Matters

Proposal 1

Summary: Adoption of the Company's 2024 Business Report and Financial Statements.

(Proposed by the Board)

Explanation: les enfants' 2024 Business Report and Financial Statements have been audited and certified by Deloitte & Touche, as well as reviewed and approved by the Audit Committee. Please proceed to recognize the following statements.

(Please refer to #Pages 4-5#, and #Pages 13-33# for details.)

Resolution:

Proposal 2

Summary: Appropriation to Offset Annual Losses of 2024 .(Proposed by the Board)

Explanation:

- (1). The Company's deficit to be covered at the beginning of 2024 NT\$(619,781,310), other comprehensive profit and loss included in the retained surplus NT\$20,505,148, net loss for the period NT\$ (427,438,133), the Company's capital reduction and deficit compensation NT\$350,419,990 and ending balance of deficit yet to be compensated NT\$ (676,294,305) were planned to make up for the surplus in the following year.
- (2). The Company proposes not to distribute dividends this year as there is no profit available for appropriation.

2024 Statements of Deficit Compensation

Item	Unit: NT\$
Deficit to be covered at the beginning of the term	(619,781,310)
Other comprehensive profit or loss transferred to retained surplus	20,505,148
Net loss for the period	(427,438,133)
the Company's capital reduction and deficit compensation	350,419,990
Ending balance of deficit yet to be compensated	(676,294,305)

Note: The Company proposes not to distribute dividends.

Chairman: Alex Lin Manager: Wilson Chan Accounting Manager: Yu Shu-I

Resolution:

Discussions

Agenda 1

Summary: Proposal for the amendments to the Article 26 of the “Articles of Incorporation”.**(proposed by the Board)**

Explanation: I. Pursuant to Article 14, Paragraphs 6 and 7 of the Securities and Exchange Act, which was amended in August 2024, listed companies should specify in their articles of association that a certain percentage of annual profits shall be set aside to adjust the salaries of "grassroots employees" or pay employee remuneration.

II. According to the Financial Supervisory Commission's Order No. 1130385442 issued on November 8, 2024, the company should complete the amendment of the company's articles of association in accordance with the provisions of the Securities and Exchange Act at the shareholders' meeting in 2025 at the latest. For a comparison table of the amendments to the articles, please refer to[Attachment 1](page 34).

Resolution:

Agenda 2

Summary: Proposal for the amendments to the “ Procedures for Making Endorsements and Guarantees”.**(proposed by the Board)**

Explanation: I. Modify some clauses of the company's " Procedures for Making Endorsements and Guarantees ". For a comparison table of clause amendments, please refer to [Attachment 2] (page 35)

Resolution:

Election Matters

Agenda 1

Summary: By-election of a Director. **(proposed by the Board)**

Explanation:

1. Mr. Wang Anya, a director of the Company, tendered his resignation from the position of director on February 21, 2025, with the effective date of his resignation being June 27, 2025..
2. In accordance with Article 192-1 of the Company Law and Article 15 of the Company's Articles of Incorporation, the election of directors adopts the candidate nomination system, and the shareholders' meeting selects the candidates from the list of candidates..
3. The term of office of the newly elected directors shall be from June 27, 2025 to June 29, 2026, and the term of office shall end on the same date as the original directors..
4. The list of candidate directors has been reviewed and approved by the board of directors on March 6, 2025. Shareholders should elect candidates from the list of candidate directors. Please refer to Attachment 3 (page 36) for their education, experience and related information.

Resolution:

Other Matters

Agenda 1

Summary: Relief of the new Director's prohibition on competition, and submit to the resolution.
(proposed by the Board)

Explanation:

1. In accordance with Article 209 of the Company Act, a Director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain important contents of such actions at the shareholders' meeting and obtain their consent.
2. It is proposed to ask the general shareholders' meeting for permission to relief the restrictions on the prohibition of competition for new Director and their representatives after this by-election:
 - (1) For the current status of the director candidates, please refer to attachment 3 (Please refer to #page 36#).
 - (2) Items permitted to engage in competitive activities: Items that are the same or similar to the company's business scope.
 - (3) The period of permission to engage in competitive activities is from June 27, 2025 to June 29, 2026.

Resolution:

Extraordinary Motions:

Adjournment

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Les Enphants Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Les Enphants Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

As described in Note 1 to the consolidated financial statements, the accumulated deficit of the Group for the year ended December 31, 2024 was NT\$566,976 thousand, reaching half of the paid-in capital. Such amounts indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Management's plans regarding this matter are also described in Note 1 to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below as the key audit matters to be communicated in our report.

Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value was based on judgments and accounting estimates made by management; therefore, we identified the valuation of inventories as a key audit matter in our audit for the year ended December 31, 2024.

The main audit procedures that we performed in respect of the valuation of inventories included obtaining the estimated data of inventories stated at the lower of cost or net realizable value by management; sampling recent sales data to evaluate the reasonableness of the net realizable value.

Other Matter

We have also audited the parent company only financial statements of Les Enphants Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued unmodified opinion with material uncertainty related to going concern paragraph and an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-chuan Yeh and Ya-ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2025

Notice to Readers

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

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

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 805,448	21	\$ 410,717	11
Financial assets at fair value through profit or loss - current (Note 7)	26,576	1	24,261	1
Financial assets at amortized cost - current (Notes 9, 10 and 36)	73,148	2	55,429	1
Notes receivable (Notes 11 and 26)	17,804	-	23,693	1
Trade receivable from unrelated parties, net (Notes 11 and 26)	298,103	8	321,078	8
Other receivables, net (Note 11)	40,861	1	45,517	1
Current tax assets (Note 28)	9,184	-	31	-
Inventories (Note 12)	711,221	18	950,723	24
Other current assets	<u>67,634</u>	<u>2</u>	<u>69,339</u>	<u>2</u>
Total current assets	<u>2,049,979</u>	<u>53</u>	<u>1,900,788</u>	<u>49</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 14)	126,945	3	119,515	3
Property, plant and equipment (Notes 15 and 36)	407,666	10	427,234	11
Right-of-use assets (Notes 16 and 36)	443,228	11	474,344	12
Investment properties (Notes 17 and 36)	756,517	19	790,195	20
Other intangible assets (Note 18)	22,958	1	35,121	1
Deferred tax assets (Note 28)	18,607	1	26,738	1
Refundable deposits (Note 36)	<u>77,333</u>	<u>2</u>	<u>120,305</u>	<u>3</u>
Total non-current assets	<u>1,853,254</u>	<u>47</u>	<u>1,993,452</u>	<u>51</u>
TOTAL	<u>\$ 3,903,233</u>	<u>100</u>	<u>\$ 3,894,240</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 36)	\$ 1,651,134	42	\$ 1,180,875	30
Financial liabilities at fair value through profit of loss - current (Note 7)	42,450	1	25,222	1
Contract liabilities - current (Note 26)	51,614	1	54,837	1
Notes payable (Note 22)	61	-	348	-
Trade payables to unrelated parties (Note 22)	247,437	6	348,034	9
Trade payables to related parties (Note 35)	4	-	66	-
Other payables (Note 23)	264,257	7	294,408	8
Current tax liabilities (Note 28)	-	-	358	-
Lease liabilities - current (Note 16)	147,731	4	160,599	4
Advance receipts	6,158	-	5,360	-
Current portion of long-term borrowings (Notes 21 and 36)	15,720	1	5,890	-
Other current liabilities (Note 23)	<u>16,132</u>	<u>1</u>	<u>25,315</u>	<u>1</u>
Total current liabilities	<u>2,442,698</u>	<u>63</u>	<u>2,101,312</u>	<u>54</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	130,732	3	123,885	3
Long-term borrowings (Notes 21 and 36)	190,610	5	30,784	1
Deferred tax liabilities (Note 28)	13,536	-	17,401	1
Lease liabilities - non-current (Note 16)	551,638	14	635,321	16
Net defined benefit liability - non-current (Note 24)	19,377	1	39,869	1

Guarantee deposits received	<u>39,820</u>	<u>1</u>	<u>38,411</u>	<u>1</u>
Total non-current liabilities	<u>945,713</u>	<u>24</u>	<u>885,671</u>	<u>23</u>
Total liabilities	<u>3,388,411</u>	<u>87</u>	<u>2,986,983</u>	<u>77</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	<u>1,051,260</u>	<u>27</u>	<u>1,401,680</u>	<u>36</u>
Capital surplus	<u>134,058</u>	<u>3</u>	<u>134,058</u>	<u>3</u>
Accumulated deficit				
Special reserve	109,317	3	109,317	3
Accumulated deficit	<u>(676,293)</u>	<u>(18)</u>	<u>(619,780)</u>	<u>(16)</u>
Total accumulated deficit	<u>(566,976)</u>	<u>(15)</u>	<u>(510,463)</u>	<u>(13)</u>
Other equity	<u>(168,332)</u>	<u>(4)</u>	<u>(176,844)</u>	<u>(4)</u>
Total equity attributable to owners of the Company	450,010	11	848,431	22
NON-CONTROLLING INTERESTS	<u>64,812</u>	<u>2</u>	<u>58,826</u>	<u>1</u>
Total equity	<u>514,822</u>	<u>13</u>	<u>907,257</u>	<u>23</u>
TOTAL	<u>\$ 3,903,233</u>	<u>100</u>	<u>\$ 3,894,240</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 6, 2025)

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Note 26)	\$ 2,806,045	100	\$ 3,073,059	100
OPERATING COSTS (Notes 12, 27 and 35)	<u>1,659,432</u>	<u>59</u>	<u>1,834,272</u>	<u>60</u>
GROSS PROFIT	<u>1,146,613</u>	<u>41</u>	<u>1,238,787</u>	<u>40</u>
OPERATING EXPENSES (Note 27)				
Selling and marketing expenses	1,211,107	43	1,396,242	45
General and administrative expenses	349,185	13	379,587	12
Expected credit loss	<u>23,371</u>	<u>1</u>	<u>24,193</u>	<u>1</u>
Total operating expenses	<u>1,583,663</u>	<u>57</u>	<u>1,800,022</u>	<u>58</u>
LOSS FROM OPERATIONS	<u>(437,050)</u>	<u>(16)</u>	<u>(561,235)</u>	<u>(18)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 27 and 35)				
Interest income	1,548	-	1,316	-
Other income	102,257	4	117,629	4
Other gains and losses	(1,491)	-	(2,343)	-
Finance costs	(91,514)	(3)	(75,050)	(3)
Share of loss or profit of associates	<u>8,969</u>	<u>-</u>	<u>5,169</u>	<u>-</u>
Total non-operating income and expenses	<u>19,769</u>	<u>1</u>	<u>46,721</u>	<u>1</u>
LOSS BEFORE INCOME TAX	(417,281)	(15)	(514,514)	(17)
INCOME TAX EXPENSE (Note 28)	<u>4,484</u>	<u>-</u>	<u>8,793</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u>(421,765)</u>	<u>(15)</u>	<u>(523,307)</u>	<u>(17)</u>
OTHER COMPREHENSIVE INCOME (Note 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	20,670	1	(819)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	-	-	8,445	-
Share of other comprehensive income of associates accounted for using the equity method	124	-	(78)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(79)</u>	<u>-</u>	<u>90</u>	<u>-</u>
	<u>20,715</u>	<u>1</u>	<u>7,638</u>	<u>-</u>

(Continued)

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 5,770	-	\$ (2,112)	-
Share of other comprehensive income of associates accounted for using the equity method	<u>2,845</u>	<u>-</u>	<u>313</u>	<u>-</u>
	<u>8,615</u>	<u>-</u>	<u>(1,799)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>29,330</u>	<u>1</u>	<u>5,839</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (392,435)</u>	<u>(14)</u>	<u>\$ (517,468)</u>	<u>(17)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (427,438)	(15)	\$ (529,190)	(17)
Non-controlling interests	<u>5,673</u>	<u>-</u>	<u>5,883</u>	<u>-</u>
	<u>\$ (421,765)</u>	<u>(15)</u>	<u>\$ (523,307)</u>	<u>(17)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (398,421)	(14)	\$ (529,925)	(17)
Non-controlling interests	<u>5,986</u>	<u>-</u>	<u>12,457</u>	<u>-</u>
	<u>\$ (392,435)</u>	<u>(14)</u>	<u>\$ (517,468)</u>	<u>(17)</u>
LOSS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	<u>\$ (4.07)</u>		<u>\$ (5.10)</u>	

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

(With Deloitte & Touche audit report dated March 6, 2025)

(Concluded)

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company								
	Ordinary Shares (Note 25)	Capital Surplus (Notes 20 and 25)	Accumulated Deficit (Notes 25 and 27)		Other Equity (Note 25)		Total	Non-controlling Interests (Note 25)	Total Equity
			Special Reserve	Accumulated Deficit	Exchange Differences on Translating of the Financial Statement Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2023	\$ 1,846,778	\$ 132,560	\$ 109,317	\$ (598,039)	\$ (169,889)	\$ (3,869)	\$ 1,316,858	\$ 46,369	\$ 1,363,227
Net (loss) profit for the year ended December 31, 2023	-	-	-	(529,190)	-	-	(529,190)	5,883	(523,307)
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	(570)	(3,086)	2,921	(735)	6,574	5,839
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	(529,760)	(3,086)	2,921	(529,925)	12,457	(517,468)
Issuance of ordinary shares for cash	100,000	-	-	(40,000)	-	-	60,000	-	60,000
Capital reduction to offset accumulated deficit	(545,098)	-	-	545,098	-	-	-	-	-
The equity component of convertible bonds	-	1,498	-	-	-	-	1,498	-	1,498
Disposal of investments in equity investments designated as at fair value through other comprehensive income	-	-	-	2,921	-	(2,921)	-	-	-
BALANCE AT DECEMBER 31, 2023	1,401,680	134,058	109,317	(619,780)	(172,975)	(3,869)	848,431	58,826	907,257
Net (loss) profit for the year ended December 31, 2024	-	-	-	(427,438)	-	-	(427,438)	5,673	(421,765)
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	20,505	8,512	-	29,017	313	29,330
Total comprehensive (loss) income for the year ended December 31, 2024	-	-	-	(406,933)	8,512	-	(398,421)	5,986	(392,435)
Capital reduction to offset accumulated deficit	(350,420)	-	-	350,420	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 1,051,260	\$ 134,058	\$ 109,317	\$ (676,293)	\$ (164,463)	\$ (3,869)	\$ 450,010	\$ 64,812	\$ 514,822

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

(With Deloitte & Touche audit report dated March 6, 2025)

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (417,281)	\$ (514,514)
Adjustments for:		
Depreciation expense	208,730	261,469
Amortization expense	14,668	14,949
Expected credit loss recognized on trade receivables	23,371	24,193
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	17,571	232
Finance costs	91,514	75,050
Interest income	(1,548)	(1,316)
Dividend income	-	(517)
Share of loss of associates for using the equity method	(8,969)	(5,169)
Loss on disposal of property, plant and equipment	2,071	12,404
Loss on disposal of intangible assets	10,745	366
Gain on reversal of impairment losses	(12,763)	(2,611)
Net loss (gain) on lease modification	1,010	(288)
Changes in operating assets and liabilities		
Purchase of financial assets at fair value through profit or loss	(2,658)	(24,506)
Notes receivable	5,889	722
Trade receivables from unrelated parties	22,924	37,582
Other receivables	(20,576)	(800)
Inventories	239,502	255,821
Other current assets	1,705	40,162
Contract liabilities - current	(3,223)	875
Notes payable	(287)	346
Trade payables to unrelated parties	(100,597)	4,424
Trade payables to related parties	(62)	(6,323)
Other payables	(32,210)	(67,501)
Advance receipts	798	(4,419)
Other current liabilities	(9,183)	(5,711)
Net defined benefit liability	178	(4,803)
Cash generated from operating activities	31,319	90,117
Interest received	1,548	1,316
Interest paid	(84,263)	(74,406)
Income tax paid	(9,511)	(865)
Net cash (used in) generated from operating activities	<u>(60,907)</u>	<u>16,162</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(152,610)
Disposal of financial assets at fair value through other comprehensive income	-	174,999
Purchase of financial assets at amortized cost	(17,719)	(15,153)
Payments for property, plant and equipment	(30,695)	(43,004)

(Continued)

LES ENPHANTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 3,728	\$ 1,630
Decrease in refundable deposits	42,972	14,064
Payments for intangible assets	(12,875)	(13,027)
Payments for investment properties	(625)	-
Dividends received	<u>4,508</u>	<u>6,142</u>
Net cash used in investing activities	<u>(10,706)</u>	<u>(26,959)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	438,749	67,051
Proceeds from issuance of convertible bonds	-	149,814
Proceeds from long-term borrowings	178,159	35,000
Repayments of long-term borrowings	(9,492)	(9,348)
Proceeds from (refund of) guarantee deposits received	328	(2,573)
Repayment of lease liabilities	(159,380)	(188,090)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>60,000</u>
Net cash generated from financing activities	<u>448,364</u>	<u>111,854</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>17,980</u>	<u>(5,205)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	394,731	95,852
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>410,717</u>	<u>314,865</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 805,448</u>	<u>\$ 410,717</u>

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

(With Deloitte & Touche audit report dated March 6, 2025)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Les Enphants Co., Ltd.

Opinion

We have audited the accompanying financial statements of Les Enphants Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

As described in Note 1 to the financial statements, the net loss of the Company for the year ended December 31, 2024 was NT\$566,976 thousand, reaching half of the paid-in capital. Such amounts indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's plans regarding this matter are also described in Note 1 to the financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below as the key audit matters to be communicated in our report.

Valuation of Inventories

(Including inventories held by the investments accounted for using the equity method in subsidiaries.)

Inventories are stated at the lower of cost or net realizable value. The net realizable value was based on major judgments and accounting estimates made by management; therefore, we identified the valuation of inventories as a key audit matter in our audit for the year ended December 31, 2024.

The main audit procedures that we performed in respect of the valuation of inventories included obtaining the estimated data of inventories stated at the lower of cost or net realizable value by management; sampling recent sales data to evaluate the reasonableness of the net realizable value.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-chuan Yeh and Ya-ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2025

Notice to Readers

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

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

LES ENPHANTS CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 68,604	4	\$ 130,519	6
Financial assets at fair value through profit or loss - current (Notes 8, 9 and 33)	73,148	4	55,429	2
Notes receivable (Notes 10 and 23)	181	-	663	-
Trade receivables from unrelated parties (Notes 10 and 23)	178,796	10	182,335	8
Trade receivables from related parties (Notes 23 and 32)	57,597	3	102,566	5
Other receivables, net (Note 10)	2,211	-	1,627	-
Current tax assets (Note 25)	68	-	31	-
Inventories (Note 11)	449,941	25	546,835	24
Other current assets	<u>29,408</u>	<u>2</u>	<u>23,652</u>	<u>1</u>
Total current assets	<u>859,954</u>	<u>48</u>	<u>1,043,657</u>	<u>46</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 12)	149,384	8	386,642	17
Property, plant and equipment (Notes 13 and 33)	284,681	16	289,493	13
Right-of-use assets (Note 14)	277,705	16	311,708	13
Investment properties (Notes 15 and 33)	166,580	9	184,676	8
Intangible assets (Note 16)	18,822	1	20,690	1
Deferred tax assets (Note 25)	318	-	92	-
Refundable deposits (Note 33)	<u>31,232</u>	<u>2</u>	<u>43,621</u>	<u>2</u>
Total non-current assets	<u>928,722</u>	<u>52</u>	<u>1,236,922</u>	<u>54</u>
TOTAL	<u>\$ 1,788,676</u>	<u>100</u>	<u>\$ 2,280,579</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 33)	\$ 390,000	22	\$ 350,000	15
Financial liabilities at fair value through profit or loss - current (Notes 7 and 18)	42,450	2	25,200	1
Contract liabilities - current (Note 23)	44,672	2	47,528	2
Notes payable (Note 19)	-	-	334	-
Trade payables to unrelated parties (Note 19)	74,921	4	128,131	6
Trade payables to related parties (Note 32)	12,320	1	1,948	-
Other payables (Note 20)	106,640	6	124,216	5
Lease liabilities - current (Note 14)	121,015	7	125,929	6
Other current liabilities (Note 20)	<u>1,209</u>	<u>-</u>	<u>2,661</u>	<u>-</u>
Total current liabilities	<u>793,227</u>	<u>44</u>	<u>805,947</u>	<u>35</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 18 and 31)	130,732	7	123,885	6
Deferred tax liabilities (Note 25)	318	-	92	-
Lease liabilities - non-current (Note 14)	347,856	20	416,776	18
Net defined benefit liability - non-current (Note 21)	18,189	1	38,124	2
Other non-current liabilities (Notes 20 and 32)	<u>48,344</u>	<u>3</u>	<u>47,324</u>	<u>2</u>
Total non-current liabilities	<u>545,439</u>	<u>31</u>	<u>626,201</u>	<u>28</u>
Total liabilities	<u>1,338,666</u>	<u>75</u>	<u>1,432,148</u>	<u>63</u>
EQUITY				
Ordinary shares	<u>1,051,260</u>	<u>59</u>	<u>1,401,680</u>	<u>61</u>
Capital surplus	<u>134,058</u>	<u>7</u>	<u>134,058</u>	<u>6</u>
Accumulated deficit				
Special reserve	109,317	6	109,317	5
Accumulated deficit	<u>(676,293)</u>	<u>(38)</u>	<u>(619,780)</u>	<u>(27)</u>
Total accumulated deficit	<u>(566,976)</u>	<u>(32)</u>	<u>(510,463)</u>	<u>(22)</u>
Other equity	<u>(168,332)</u>	<u>(9)</u>	<u>(176,844)</u>	<u>(8)</u>
Total equity	<u>450,010</u>	<u>25</u>	<u>848,431</u>	<u>37</u>
TOTAL	<u>\$ 1,788,676</u>	<u>100</u>	<u>\$ 2,280,579</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 6, 2025)

LES ENPHANTS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 32)	\$ 1,714,729	100	\$ 1,813,357	100
OPERATING COSTS (Notes 11, 21, 24 and 32)	<u>1,013,930</u>	<u>59</u>	<u>1,088,182</u>	<u>60</u>
GROSS PROFIT	700,799	41	725,175	40
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>734</u>	<u>-</u>	<u>4,961</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>701,533</u>	<u>41</u>	<u>730,136</u>	<u>40</u>
OPERATING EXPENSES (Notes 21, 24 and 32)				
Selling and marketing expenses	683,766	40	715,198	39
General and administrative expenses	<u>174,959</u>	<u>10</u>	<u>146,211</u>	<u>8</u>
Total operating expenses	<u>858,725</u>	<u>50</u>	<u>861,409</u>	<u>47</u>
LOSS FROM OPERATIONS	<u>(157,192)</u>	<u>(9)</u>	<u>(131,273)</u>	<u>(7)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 32)				
Interest income	660	-	557	-
Other income	22,681	1	31,582	2
Other gains and losses	2,671	-	4,382	-
Finance costs	(33,827)	(2)	(22,118)	(1)
Share of loss of subsidiaries and associates	<u>(262,431)</u>	<u>(15)</u>	<u>(411,487)</u>	<u>(23)</u>
Total non-operating income and expenses	<u>(270,246)</u>	<u>(16)</u>	<u>(397,084)</u>	<u>(22)</u>
LOSS BEFORE INCOME TAX	(427,438)	(25)	(528,357)	(29)
INCOME TAX EXPENSE (Note 25)	<u>-</u>	<u>-</u>	<u>833</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u>(427,438)</u>	<u>(25)</u>	<u>(529,190)</u>	<u>(29)</u>

(Continued)

LES ENPHANTS CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Loss Earnings Per Share)**

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 20,270	1	\$ (366)	-
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>235</u>	<u>-</u>	<u>2,717</u>	<u>-</u>
	20,505	1	2,351	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>8,512</u>	<u>1</u>	<u>(3,086)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>29,017</u>	<u>2</u>	<u>(735)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (398,421)</u>	<u>(23)</u>	<u>\$ (529,925)</u>	<u>(29)</u>
LOSS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	<u>\$ (4.07)</u>		<u>\$ (5.10)</u>	

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

(With Deloitte & Touche auditors' report dated March 6, 2025)

(Concluded)

LES ENPHANTS CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares (Note 22)	Capital Surplus (Notes 18 and 22)	Accumulated Deficit (Notes 22 and 24)		Other Equity (Note 22)		Total Equity
			Special Reserve	Accumulated Deficit	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2023	\$ 1,846,778	\$ 132,560	\$ 109,317	\$ (598,039)	\$ (169,889)	\$ (3,869)	\$ 1,316,858
Net loss for the year ended December 31, 2023	-	-	-	(529,190)	-	-	(529,190)
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	(570)	(3,086)	2,921	(735)
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	(529,760)	(3,086)	2,921	(529,925)
Issuance of ordinary shares for cash	100,000	-	-	(40,000)	-	-	60,000
Capital reduction to offset accumulated deficit	(545,098)	-	-	545,098	-	-	-
The equity component of convertible bonds	-	1,498	-	-	-	-	1,498
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	2,921	-	(2,921)	-
BALANCE AT DECEMBER 31, 2023	1,401,680	134,058	109,317	(619,780)	(172,975)	(3,869)	848,431
Net loss for the year ended December 31, 2024	-	-	-	(427,438)	-	-	(427,438)
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	20,505	8,512	-	29,017
Total comprehensive (loss) income for the year ended December 31, 2024	-	-	-	(406,933)	8,512	-	(398,421)
Capital reduction to offset accumulated deficit	(350,420)	-	-	350,420	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 1,051,260	\$ 134,058	\$ 109,317	\$ (676,293)	\$ (164,463)	\$ (3,869)	\$ 450,010

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

(With Deloitte & Touche auditors' report dated March 6, 2025)

LES ENPHANTS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (427,438)	\$ (528,357)
Adjustments for:		
Depreciation expense	144,851	162,786
Amortization expense	11,508	12,036
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	17,250	-
Finance costs	33,827	22,118
Interest income	(660)	(557)
Share of loss of subsidiaries and associates	262,431	411,487
(Gain) loss on disposal of property, plant and equipment	(496)	4,294
Loss on disposal of intangible assets	-	366
Gain on reversal of impairment loss	(14,745)	(6,244)
Realized gain on the transactions with subsidiaries and associates	(734)	(4,961)
Net gain on lease modification	(271)	(864)
Changes in operating assets and liabilities		
Notes receivable	482	(663)
Trade receivables from unrelated parties	3,539	24,570
Trade receivables from related parties	44,969	(24,118)
Other receivables	(584)	(38)
Inventories	96,894	53,187
Other current assets	(5,756)	(3,761)
Contract liabilities - current	(2,856)	1,527
Notes payable	(334)	334
Trade payables to unrelated parties	(53,210)	(48,093)
Trade payables to related parties	10,372	(51)
Other payables	(19,989)	(37,377)
Other current liabilities	(1,452)	170
Net defined benefit liability	335	(4,838)
Cash generated from operating activities	97,933	32,953
Interest received	660	557
Interest paid	(26,684)	(21,469)
Income tax paid	(37)	(861)
Net cash generated from operating activities	<u>71,872</u>	<u>11,180</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(17,719)	(15,153)
Payments for property, plant and equipment	(24,549)	(26,971)
Acquisition of subsidiary	(20,200)	-
Proceeds from disposal of property, plant and equipment	1,219	1,392
Increase in refundable deposits	-	(6,288)
Decrease in refundable deposits	12,389	-

(Continued)

LES ENPHANTS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Payments for intangible assets	\$ (9,640)	\$ (12,698)
Dividends received	<u>4,508</u>	<u>5,625</u>
Net cash used in investing activities	<u>(53,992)</u>	<u>(54,093)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	40,000	-
Repayments of short-term borrowings	-	(114,000)
Proceeds from issuance of convertible bonds	-	149,814
Proceeds from guarantee deposits received	1,020	41,020
Repayment of lease liabilities	(120,815)	(136,079)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>60,000</u>
Net cash (used in) generated from financing activities	<u>(79,795)</u>	<u>755</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(61,915)	(42,158)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>130,519</u>	<u>172,677</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 68,604</u>	<u>\$ 130,519</u>

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2025)

(Concluded)

[Attachment 1]

les enfants Co., Ltd.

Cross reference list of the amendments to the “Articles of Incorporation”

Proposed Amendment	Original Article	Description
<p>Article 25</p> <p>If the Company has gained profits (profitability refers to net profit before tax for the given year after deduction of the portion set aside for employee bonus) within a fiscal year, 5-7% and no more than 2% of the profits shall be reserved as the employees' compensation and directors' compensations respectively. <u>The proportion of employees' compensation allocated to grassroots employees shall not be less than 25% of the total employees' compensation.</u></p> <p>However, in case of accumulated loss, certain profits shall first be reserved to cover them</p> <p>The aforementioned employee bonus may be allocated by shares or cash, and recipients of such allocations shall include employees in the controlling or affiliated companies who meet the conditions set forth by the Board of Directors.</p> <p>Distribution of employee and Directors' compensations shall be passed by the Board of Directors and submitted to the Shareholders' Meeting for adoption.</p> <p>In the Board's special resolution to distribute the said employee bonus by shares, the Company may also resolve to distribute it by issuing new shares or repurchasing its own shares</p>	<p>Article 26</p> <p>If the Company has gained profits (profitability refers to net profit before tax for the given year after deduction of the portion set aside for employee bonus) within a fiscal year, 5-7% and no more than 2% of the profits shall be reserved as the employees' compensation and directors' compensations respectively. However, in case of accumulated loss, certain profits shall first be reserved to cover them.</p> <p>The aforementioned employee bonus may be allocated by shares or cash, and recipients of such allocations shall include employees in the controlling or affiliated companies who meet the conditions set forth by the Board of Directors.</p> <p>Distribution of employee and Directors' compensations shall be passed by the Board of Directors and submitted to the Shareholders' Meeting for adoption.</p> <p>In the Board's special resolution to distribute the said employee bonus by shares, the Company may also resolve to distribute it by issuing new shares or repurchasing its own shares</p>	<p>Pursuant to Article 14, Paragraphs 6 and 7 of the Securities and Exchange Act, which was amended in August 2024, listed companies should specify in their articles of association that a certain percentage of annual profits shall be set aside to adjust the salaries of "grassroots employees" or pay employee remuneration</p>

les enfants Co., Ltd.

Cross reference list of the amendments to the “ Procedures for Making Endorsements and Guarantees”

Proposed Amendment	Original Article	Description
<p>Article 4 Limit of Endorsements and Guarantees</p> <p>I.The aggregate amount of Endorsements and Guarantees made by the Company for others shall be no more than 100 50% of the net worth in the most recent financial statements audited,certified or reviewed by the independent auditor, , and the authorized limit on Endorsements and Guarantees made by the Company to any single entity shall not exceed 100 50% of the net worth in the Company’s most recent financial statements audited,certified or reviewed by the independent auditor . The aggregate amount of Endorsements and Guarantees to be made by the Company and any of its subsidiaries shall be no more than 100 50% of the Company’s net worth in the most recent financial statements audited, certified or reviewed by the independent auditor , and the authorized limit on Endorsements and Guarantees made by the Company and to any single entity shall not exceed 100 50% of the Company’s net worth in the most recent financial statements audited,certified or reviewed by the independent auditor.</p> <p>II.Where an endorsement and guarantee is made due to needs arising from business dealings, in addition to said requirements about authorized limit, the individual endorsement and guarantee made therefor shall be no more than the transaction value between both parties during the period of twelve months prior to the endorsement guarantee. The transaction value refers to the purchase or sale amount between both parties, whichever is higher.</p>	<p>Article 4 Limit of Endorsements and Guarantees</p> <p>I.The aggregate amount of Endorsements and Guarantees made by the Company for others shall be no more than 50% of the net worth in the most recent financial statements audited,certified or reviewed by the independent auditor, , and the authorized limit on Endorsements and Guarantees made by the Company to any single entity shall not exceed 50% of the net worth in the Company’s most recent financial statements audited,certified or reviewed by the independent auditor . The aggregate amount of Endorsements and Guarantees to be made by the Company and any of its subsidiaries shall be no more than 50% of the Company’s net worth in the most recent financial statements audited, certified or reviewed by the independent auditor , and the authorized limit on Endorsements and Guarantees made by the Company and to any single entity shall not exceed 50% of the Company’s net worth in the most recent financial statements audited,certified or reviewed by the independent auditor.</p> <p>II.Where an endorsement and guarantee is made due to needs arising from business dealings, in addition to said requirements about authorized limit, the individual endorsement and guarantee made therefor shall be no more than the transaction value between both parties during the period of twelve months prior to the endorsement guarantee. The transaction value refers to the purchase or sale amount between both parties, whichever is higher.</p>	<p>In response to the group's capital utilization, capital allocation efficiency and business needs, it is proposed to increase the limit of endorsement guarantees to no more than 100% of the net value of the most recent financial statements audited and certified by accountants.</p>

[Attachment 3]

Nomination list of candidates for by-election of directors

No.	Title	Name	Education	Experience	Current	Number of shares held when the transfer is stopped	Government represented or corporate	Whether it has been continuously served as an independent director for three terms Matter / reason
1	Director	David Lu	Bachelor of Arts in Economics, University of California, Berkeley	Point Digital Finance Vice President of Engineering SimpleLegal Vice President of Engineering Medallia Senior Engineering Director	普訊創新 董事 愷爐投資 總裁 德技投資 執行長 Informed K12 工程戰略顧問	0	NO	NO

[Appendix 1]

les enfants Co., Ltd.
Rules and Procedures of the Shareholders Meeting

(Approved by the Shareholders' Meeting on June 27, 2019)

Article 1: The Shareholders' Meeting of the Company shall, unless otherwise stipulated in the decrees, follow these rules.

Article 2: The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. When the legal person is appointed to attend as proxy, it may designate only one person to represent the shareholder in the meeting. Attendance and voting right that may be exercised at Shareholders' Meeting shall be calculated on the basis of the shares.

Article 3: The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The Meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Unless otherwise provided by regulations, Shareholders' Meeting is convened by the Board of Directors. The Company shall prepare the notice for Shareholders' Meeting 30 days prior to a regular Shareholders' Meeting or 15 days prior to a special Shareholders' Meeting, along with the form for the appointment of representation, matters to be recognized, matters to be discussed and information regarding the appointment or dismissal of directors in the form of electronic files and upload them to the Market Observation Post System. 21 days before the Company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare an electronic file of the Shareholders' Meeting agenda handbook and the supplemental materials, and upload it to the Market Observation Post System. Before 15 days before the date of the Shareholders' Meeting, the Company shall have prepared the Shareholders' Meeting agenda handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as be distributed on-site at the meeting place.

Election or dismissal of Directors, amendments to the Articles of Association, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Election or dismissal of Directors, amendments to the Articles of Association, reduction of capital, application for delisting, release of Directors from non-compete restrictions, earnings distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting with key contents detailed. None of the above matters may be raised by an extraordinary motion. The key contents may be posted on the website designated by the competent securities authority or the Company and the website shall be indicated in the above notice.

Article 4: It is advisable that Shareholders' Meetings convened by the Board of Directors be chaired by the Chair of the Board in person and attended by a majority of the

Directors (including at least one Independent Director) in person. The attendance shall be recorded in the meeting minutes. When the Chair of the Board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves. When Shareholders' Meeting is convened by other person having the convening right, such person shall act as the chairperson of that meeting.

Article 5: The Chair shall call the meeting to order at the appointed meeting time if the attending shareholders represent a majority of the total number of issued shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 6: If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting. The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors. The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. After the meeting has adjourned, the shareholders may not appoint another chair and continue the meeting either at the same or a different venue. If the Chair declares the meeting adjourned in violation of the Rules of Procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 7: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair. Shareholders and their proxies (collectively referred to as "shareholders") shall attend Shareholders' Meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Solicitors for proxy forms shall also bring document(s) in proof of identity for verification. When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal. A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a

speech. If the content of his/her speech differs from that specified on the slip, the content of his/her speech shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

Article 8: A single speech from an attending shareholder may not exceed 5 minutes, but the speech may be extended for an additional 3 minutes upon consent from the Chair.

Article 9: Each shareholder may not speak more than twice on the same proposal.

Article 10: After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

Article 11: When the speech of any shareholder is too long or exceeds the scope of the agenda item, the Chair may terminate the speech.

Article 12: When discussing the agenda item, the Chair may announce for the termination of the discussion when appropriate, and may announce to interrupt the discussion when necessary.

Article 13: Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS). When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 14: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company. The result of voting shall be reported on-site at the meeting, and a record made of the vote.

Article 15: When a meeting is in progress, the Chair may announce a break based on time considerations.

Article 16: The Chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 17: Entire proceedings of Shareholders' Meeting shall be recorded on audio or video tape and preserved for at least 1 year.

Article 18: The Company may appoint its attorneys, certified public accountants, or related persons to attend the Shareholders' Meeting.

Article 19: These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meeting

les enphants Co., Ltd.
Articles of Incorporation

Chapter I General Provisions

Article 1: The Company is organized in accordance with the Company Act. The name of the Company is 麗嬰房股份有限公司 in Chinese and les enphants Co., Ltd. in English.

Article 2: The Company's businesses are listed as follows:

1. C306010 Outerwear Knitting Mills.
2. F104110 Wholesale of Cloths, Clothes, Shoes, Hats, Umbrellas and Apparel, Clothing Accessories and Other Textile Products.
3. F204110 Retail Sale of Cloths, Clothes, Shoes, Hats, Umbrellas, Apparel, Clothing Accessories, and Other Textile Products.
4. CN01010 Furniture and Fixtures Manufacturing
5. CK01010 Footwear Manufacturing.
6. C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing
7. F105050 Furniture, Bedding, Kitchen Utensils, Installation Supplies Wholesale Industry
8. F205040 Furniture, Bedding, Kitchen Utensils, Installation Supplies Retail Industry
9. CH01040 Toys Manufacturing
10. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
11. F209060 Retail Sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
12. F102170 Wholesale of Food and Grocery
13. F203010 Retail Sale of Food and Grocery
14. F401010 International Trade
15. F114030 Wholesale of Motor Vehicle Parts and Supplies
16. F214030 Retail Sale of Motor Vehicle Parts and Supplies
17. F399040 Retail Business without Physical Stores
18. ZZ99999 Business Items not Prohibited or Restricted by Law except Those Requiring Special Approval
19. F108031 Wholesale of Drugs, Medical Goods
20. F208031 Retail Sale of Drugs, Medical Goods
21. F108040 Wholesale of Cosmetics
22. F208040 Retail Sale of Cosmetics
23. F107030 Wholesale of Cleaning Preparations.
24. F207030 Retail Sale of Cleaning Preparations.
25. F106020 Wholesale of Articles for Daily Use
26. F206020 Retail Sale of Articles for Daily Use
27. I103060 Management Consulting Services
28. I199990 Other Consultancy

Article 2-1: To achieve the objective of diversified business operations, the Company's total amount of reinvestment is not prohibited by Article 13 of the Company Act pertaining to the ratio of reinvestments.

Article 2-2: The Company may obtain external guarantees/endorsements due to business or investment needs.

Article 3: The Company's head office is located in Taipei City and may, if necessary, set up branch offices in - 61 - other appropriate locations upon resolution of the Board of Directors (the "Board").

Article 4: The Company's method of public disclosure is executed pursuant to the regulations for securities regulators.

Chapter II Shares

- Article 5: The total capital of the Company is rated at NT\$3.0 billion, divided into 300 million shares, and the amount per share is NT\$10, of which the Board of Directors is authorized to issue shares on a separate basis. NT\$50 million is retained from the total amount stated in the previous paragraph for a total of 5 million shares that are reserved for exercise as employee stock option certificates. The Board of Directors is authorized to issue the employee stock option certificates on a separate basis. The said employees shall include ones in the controlling or affiliated companies who met the conditions set by the Board.
- Article 5-1: Parties eligible to be transferred of treasury stocks repurchased by the Company pursuant to laws and regulations shall include employees in the controlling or affiliated companies who met certain conditions set by the Board. Employees eligible to subscribe new shares issued by the Company shall include ones in the controlling or affiliated companies who met certain conditions set by the Board. Employees eligible to receive restricted stocks issued by the Company shall include ones in the controlling or affiliated companies who met certain conditions set by the Board.
- Article 6: The shares of the Company are all registered shares. The shares are issued upon sign or seal from Directors who represent the Company and upon certification in accordance with relevant legal standards. The Company may be exempted from printing the share certificates stated in the above paragraph provided that it shall appoint a centralized securities custody enterprise to make recordation of the issue of such shares.
- Article 7: Shareholders of the Company shall submit signed/sealed signature cards to the Company's share transfer department for safekeeping and storage. When exercising the rights to dividend payment, incentives/bonuses and other written rights, the shareholders shall use the signature card as proof of their identities. Unless otherwise provided by regulations, shareholder affairs including share transfer, change of ownership, reporting of loss, damage, reporting lost seal, changes, or change of address will be processed in accordance with 'Regulations Governing the Administration of Shareholder Services of Public Companies.'
- Article 8: The transfer of shares shall be halted from 60 days prior to the commencement of an annual Shareholder's Meeting, 30 days from the commencement of a special Shareholders' Meeting, or 5 days prior to the ex-dividend date on which the Company issues dividends, bonuses, or other interests.

Chapter III Shareholders' Meeting

- Article 9: Shareholders' Meeting can be divided into regular meetings and special meetings. Regular meetings are convened once a year, and usually within six months of the end of each fiscal year by the Board of Directors according to legal regulations. Special meetings may be convened according to legal regulations when necessary.
- Article 10: When a shareholder is unable to attend a Shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting by providing a proxy form and state the scope of the proxy's authorization. Pursuant to the competent authority, shareholders of the Company may also exercise voting rights by electronic means. Those exercising their voting rights electronically shall be deemed equal to those shareholders present at the meeting, and all relevant matters shall be processed according to legal regulations.
- Article 11: Unless otherwise provided for under the Company Act, resolutions of Shareholders' Meetings shall be approved by the majority of shareholders who are present in a meeting which is attended by shareholders representing the majority of the total outstanding shares.
- Article 11-1: Approval by two-thirds of shareholders who are present in a Shareholders' Meeting which is attended by shareholders representing the majority of the total outstanding shares shall be made before the Company is to proceed with any share transfer to employees at prices lower than the average price of share repurchase, or to issue employee share option certificates at lower than fair market value.
- Article 12: Shareholders' Meeting convened by the Board of Directors shall have the Chairman of the

Board as the Chair of the meeting. If the Chairman of the Board is on leave or is unable to exercise power, the Chairman shall designate a Director as the substitute. If a substitute has not been designated by the Chairman, the Directors shall nominate a substitute among themselves. If the Shareholders' Meeting was convened by other authorized conveners, the convener shall take on the duty of the Chairman. If there is more than one convener, one shall be nominated to be the Chairman

Article 13: Unless the conditions of absence of voting rights stated in Article 179 and 197-1 of the Company Act are present in the shareholders, each share should have 1 voting right.

Article 14: Minutes of the Shareholders' Meeting shall be prepared, in which the date of the meeting, venue, name of the Chair, number of shareholders in attendance, number of shares represented, number of voting rights, resolutions and methods of resolution, and summary of the meeting and its results shall be documented and signed and sealed by the Chair. The minutes of the meeting is to be retained for the duration of the Company's existence. The attendance (sign-in) book of the shareholders and the proxy forms for attendance must have a retention period of at least one year.

Chapter IV: Directors and the Audit Committee

Article 15: The Company shall appoint seven to eleven Directors, whose term of service shall be three years, and they may be re-elected. The Company's Directors are elected using candidate nomination system. The shareholders shall elect the Directors from among the nominees listed in the roster of candidates. The number of the directors indicated in the preceding paragraph shall include three seats for Independent Directors which in turn shall be no fewer than one-fifth of the total Board size. The relevant matters concerning the methods of nomination and announcements of director candidates are governed by the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent Directors and non-Independent Directors shall be elected together. Quota for the Independent Director and non-Independent Director shall be counted separately. After the Directors are elected, the Company shall purchase Directors' liability insurance for its Directors for carrying out the scope of their responsibilities during the terms of office upon approval by the Board of Directors. When a shareholder elects a Director, each share has the same voting rights as the number of Directors to be elected, and one person may be selected for election or may be allocated a number of elections. The resulting ballot paper represents a person with more voting rights and is elected as a Director.

Article 15-1: Pursuant to the Securities and Exchange Act, all Independent Directors of the Company will serve as members of the Audit Committee. Roles and obligations of the supervisor in the Company Act, Securities and Exchange Act and other legal regulations will be carried by the Audit Committee or its members. One of the Audit Committee members will serve as the convener of the Committee, and at least one shall be equipped with professional accounting or financial knowledge. Responsibilities, chapters of association, level of authority and other compliance matters for the Audit Committee shall be processed in accordance with the Company Act and relevant legal regulations from the competent authorities.

Article 16: The Board of Directors shall elect a Chairman of the Board from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The Chairman shall externally represent the Company.

Article 17: When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to represent as the chairperson. Where the Chairman does not make such a designation, the directors shall elect one person from among themselves to represent as the Chairperson.

Article 18: The Board of Directors meeting shall be convened by the Chairman or his proxy. The Chairman will preside over the meeting as the Chair. Unless otherwise stated in the Company Act, resolutions made by the Board meeting shall be made by a majority vote at a Board meeting attended by one-half of the Directors. In case a Director cannot attend a

Board meeting in person, he/she may appoint another Director to attend in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A Director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other Director only.

Article 18-1: In calling a meeting of the Board of Directors, a notice with reasons to convene specified shall be given to each Director through written correspondence, electronically, or fax no later than 7 days prior to the scheduled meeting date. However, the Company may convene a Board meeting at any time in the case of emergency. The aforementioned notice may be sent by means of electronic transmission, if agreed by the recipient(s) thereof.

Article 19: The powers and duties of the Board of Directors are as follows:

1. The decision-making of the business plan and supervision over the implementations of business activities.
2. The decision-making of important principles and contracts.
3. Review of the budget and closing account.
4. Propose increase/decrease in capital.
5. Preparation of profit distribution and deficit compensation.
6. Discussion and decision-making of external investment and partnership.
7. Decision-making of material asset acquisition and disposal.
8. Recruitment/termination of managers and decision-making over managerial compensations.
9. Convening the Shareholders' Meeting.
10. Other functional authority stated by legal regulations and the Shareholders' Meeting.

Article 20: The Company shall compensate its Directors for carrying out duties for the Company disregarding the Company's profitability. Compensations for Directors are delegated to the decision from the Board of Directors based on the level of participation and contributions of individual Directors in the Company's operations, and based on the domestic and international average industry standards. If the Company operates at a profit, additional remuneration is distributed pursuant to Article 26.

Article 21: Deleted.

Article 22: Deleted.

Chapter V Manager

Article 23: The Board of Directors may appoint CPA and attorneys as consultants or to appoint other managers based on business needs. The compensations of such parties may be decided by the Board of Directors, while appointment, termination, and other relevant matters will be processed pursuant to Articles 23 and Articles 29 to 34 in the Company Act.

Chapter VI Accounting

Article 24: The Company adopts a fiscal year ending on December 31st on a full-year basis.

Article 25: At the end of a fiscal year, the Company shall prepare the following reports and statements to be reviewed by the Audit Committee, and an adoption by more than onehalf of the members of the Audit Committee will be reached before submission to the regular Shareholders' Meeting for adoption:

1. Business report.
2. Financial statements.
3. Earnings distribution or accumulated deficit offset proposal.

Article 26: If the Company has gained profits (profitability refers to net profit before tax for the given year after deduction of the portion set aside for employee bonus) within a fiscal year, 5-7% and no more than 2% of the profits shall be reserved as the employees' compensation and directors' compensations respectively. However, in case of accumulated loss, certain profits shall first be reserved to cover them. The aforementioned employee bonus may be allocated by shares or cash, and recipients of such allocations shall include employees in the controlling or affiliated companies who meet the conditions set forth by the Board of Directors.

Distribution of employee and Directors' compensations shall be passed by the Board of Directors and submitted to the Shareholders' Meeting for adoption. In the Board's special resolution to distribute the said employee bonus by shares, the Company may also resolve to distribute it by issuing new shares or repurchasing its own shares

Article 26-1: In case surplus is present after closing the accounts, the surplus will be appropriated in the following order:

1. Pay corporate income tax in accordance with regulations.
2. Cover previous deficits.
3. Appropriate 10% to be the legal surplus reserve.
4. Appropriate special reserve according to legal regulations.
5. If surplus is still present, the Board will propose motion for dividend and shareholders' bonus allocation, which will be submitted for the Shareholders' Meeting for adoption. However, only when the dividend and bonus are to be distributed in the form of cash may the distribution be resolved by the Board and submitted for the Shareholders' Meeting for reporting.

Article 26-2: The distribution of the Company's dividends will be based on a balanced dividend policy; however, when no surplus can be allocated for a given year, share dividend can be issued from the reserve. However, the dividend policy in the previous paragraph may be adjusted based on the year's profitability and future capital needs, in which distribution of cash dividend may not be less than 10% of the year's total dividend distribution.

Chapter VII: Supplemental Provisions

Article 27: Any other matters not set forth in the Articles of Association shall be dealt with in accordance with the Company Act.

Article 28: The Articles of Association were established on April 13, 1973:

- The first amendment was made on May 29, 1973.
- The second amendment was made on April 1, 1975.
- The third amendment was made on May 15, 1976.
- The fourth amendment was made on April 15, 1978.
- The fifth amendment was made on October 8, 1979.
- The sixth amendment was made on October 8, 1980.
- The seventh amendment was made on October 20, 1981.
- The eighth amendment was made on January 28, 1983.
- The ninth amendment was made on June 1, 1987.
- The tenth amendment was made on May 2, 1988. - 65 -
- The eleventh amendment was made on May 2, 1989.
- The twelfth amendment was made on November 6, 1991.
- The thirteenth amendment was made on May 22, 1992.
- The fourteenth amendment was made on April 20, 1993.
- The fifteenth amendment was made on April 26, 1994.
- The sixteenth amendment was made on May 25, 1995.
- The seventeenth amendment was made on April 30, 1997.
- The eighteenth amendment was made on May 26, 2000.
- The nineteenth amendment was made on May 22, 2001.
- The twentieth amendment was made on May 28, 2002.
- The twenty-first amendment was made on June 12, 2003.
- The twenty-second amendment was made on June 10, 2005.
- The twenty-third amendment was made on June 9, 2006.
- The twenty-fourth amendment was made on June 15, 2007.
- The twenty-fifth amendment was made on June 13, 2008.
- The twenty-sixth amendment was made on June 17, 2010.
- The twenty-seventh amendment was made on June 24, 2011.

The twenty-eighth amendment was made on June 22, 2013.
The twenty-ninth amendment was made on June 18, 2014.
The thirtieth amendment was made on June 22, 2016.
The thirty-first amendment was made on June 22, 2017.
The thirty-second amendment was made on June 27, 2019.
The thirty-third amendment was made on August 11, 2021.

[Appendix 3]

Les enphants Co., Ltd.

Procedures for Making Endorsements and Guarantees

Approved by the Board of Directors on November 10, 2022

Article 1: Purpose and legal basis

In order to protect shareholders' equity, well found financial management and reduce operational risk, the Company establishes the Operating Procedure in accordance with the related laws and decrees promulgated by Financial Supervisory Commission, Executive Yuan ("FSC").

Article 2: Scope:

I. Endorsements and Guarantees for financing:

- (i) Bill discount financing;
- (ii) Endorsements or guarantees made to meet the financing needs of another company;
- (iii) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

II. Customs duty Endorsements and Guarantees: which means an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.

III. Other Endorsements and Guarantees: which mean endorsements or guarantees beyond the scope of the above two sub-paragraphs.

IV. Any creation by the Company of a pledge or mortgage on its personal property or real property as security for the loans of another company shall also comply with the Procedures.

Article 3: Counterparts of Endorsements and Guarantees

The Company may make Endorsements and Guarantees for the following companies:

I. Any company doing business with the Company;

II. A company in which the Company directly and indirectly holds more than 50 per cent of the voting shares.

III. A company that directly and indirectly holds more than 50 per cent of the voting shares in the Company.

IV. Where the Company fulfills its contractual obligations by providing mutual Endorsements and Guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make Endorsements and Guarantees for each other, and the amount of Endorsements and Guarantees may not exceed 10% of the net worth in the Company's most recent financial statements audited, certified or reviewed by the independent auditor, provided that this restriction shall not apply to Endorsements and

Guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares, but only the limit referred to in Article 4 shall apply.

“Subsidiary” shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4: Limit of Endorsements and Guarantees

- I. The aggregate amount of Endorsements and Guarantees made by the Company for others shall be no more than 50% of the net worth in the most recent financial statements audited, certified or reviewed by the independent auditor,
, and the authorized limit on Endorsements and Guarantees made by the Company to any single entity shall not exceed 50% of the net worth in the Company’s most recent financial statements audited, certified or reviewed by the independent auditor . The aggregate amount of Endorsements and Guarantees to be made by the Company and any of its subsidiaries shall be no more than 50% of the Company’s net worth in the most recent financial statements audited, certified or reviewed by the independent auditor , and the authorized limit on Endorsements and Guarantees made by the Company and to any single entity shall not exceed 50% of the Company’s net worth in the most recent financial statements audited, certified or reviewed by the independent auditor.
- II. Where an endorsement and guarantee is made due to needs arising from business dealings, in addition to said requirements about authorized limit, the individual endorsement and guarantee made therefor shall be no more than the transaction value between both parties **during the period of twelve months prior to the endorsement guarantee**. The transaction value refers to the purchase or sale amount between both parties, whichever is higher.

Article 5: Decision making and level of authority

- I. The Company may make Endorsements and Guarantees only upon resolution and approval of the Board of Directors. The Board of Directors may authorize the chairman to make decisions within a specific limit of NT\$20 million per single transaction pursuant to the Operating Procedures at first, and then have it ratified by the most recent board meeting subsequently.
- II. Where the Company needs to exceed the limits set out herein to satisfy its business requirements, and where the conditions set out herein are complied with, it shall obtain approval from the Board of Directors and a majority of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement and guarantee. It shall also amend the Operating Procedures accordingly and submit the same to the shareholders meeting for ratification. Where the shareholders meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

III. When the Company discusses the motion at a board meeting pursuant to the preceding two sub-paragraphs, the Board of Directors shall take into full consideration each independent director's opinion and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board of Directors' meeting.

Article 6: Procedures for Making Endorsements and Guarantees

- I. To request Endorsements and Guarantees made by the Company, the endorsed and guaranteed company shall submit an application form to the Company's Financial Division. Financial Division shall conduct credit investigation on the endorsed and guaranteed company, evaluate its risk and prepare the evaluation record. The record shall be submitted to the General Manager and Chairman for approval upon review. If necessary, specific collateral shall be required.
- II. Financial Division shall conduct a credit investigation and risk evaluation on the endorsed and guaranteed company. The evaluation shall cover:
- (iv) The necessity of and reasonableness of making Endorsements and Guarantees;
 - (v) Measure whether the amount of endorsement is required based on the endorsed and guaranteed company's financial position;
 - (vi) Whether the accumulated Endorsements and Guarantees still fall within the limit of facility;
 - (vii) Where the endorsement and guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of endorsement and guarantee is commensurate to the total amount of trading between the two companies.
 - (viii) Effect on the Company's operational risk, financial position and shareholders' equity;
 - (ix) Whether it is necessary to acquire collateral, and appraised value of the collateral;
 - (x) Submit the credit investigation and risk evaluation record about the endorsement and guarantee.
- III. The Company shall prepare a memorandum book for its endorsement and guarantee activities and record in detail the entity for which the endorsement and guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the Chairman of the Board, the date the endorsement and guarantee is made, and the matters to be carefully evaluated under the preceding paragraph.
- IV. Financial Division shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for

implementation of necessary auditing procedures to help the certified public accountants issue adequate audit report.

V. Where as a result of changes of the Company's condition the entity for which an endorsement and guarantee is made no longer meets the requirements of the Operating Procedures, or the amount of endorsement and guarantee exceeds the limit due to the changes of the calculation basis for the limit, the Company shall eliminate the amount of endorsement and guarantee to the entity or the excess in the amount upon expiration of the time limit set in the contract, or within the specific time limit referred to in the corrective action plans, and submit the plans to the Audit Committee, and report them to the Board of Directors.

Article 7: Cancellation of endorsement and guarantee

- I. Where the endorsement and guarantee documents or notes need to be terminated upon clearance of obligation or novation, the endorsed and guaranteed company shall deliver the original endorsement and guarantee documents via its official letter to the Company's Financial Division to enable the Financial Division to affix the stamp "Cancellation" thereon and return the same. The official letter shall be recorded for reference.
- II. Financial Division shall record the cancellation of endorsement and guarantee into the Memorandum to reduce the amount of endorsement and guarantee.

Article 8: Internal control

- I. The Company's internal auditors shall audit the Operating Procedure and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
- II. The endorsement and guarantee made by the Company shall comply with the required procedure. In the case of any material violation found, the manager and person-in-charge shall be disciplined subject to the circumstances.

Article 9: Custody of corporate chop and procedure thereof

- I. The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for Endorsements and Guarantees. The chop and guarantee instruments shall be kept in the custody of a dedicated person and may be used to seal or issue negotiable instruments only in prescribed procedures. Appointment, dismissal or transfer of the dedicated person shall be subject to approval of the Board of Directors.
- II. When making a guarantee for a foreign company, the Company shall have the Guarantee Agreement signed by a person authorized by the Board of Directors.

Article 10: Public announcement and regulatory filing procedure

The Company shall carry out the public announcement and regulatory filing of the balance of endorsement and guarantee made by the Company and its subsidiaries in the previous month by 10th day of each month. Where the Company's balance of Endorsements and Guarantees reaches one of the following levels, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:

- I. The aggregate balance of endorsement and guarantee made by the Company and its subsidiaries reaches 50 percent or more of the Company net worth as stated in its latest financial statement.
- II. The aggregate balance of endorsement and guarantee made by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company net worth as stated in its latest financial statement.
- III. The balance of Endorsements and Guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all Endorsements and Guarantees for, carrying amount of investments using the equity method and balance of loans to, such enterprise reach 30 percent or more of the Company's net worth as stated in its latest financial statement.
- IV. The amount of new Endorsements and Guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to sub-paragraph 4 of the preceding paragraph.

The balance of Endorsements and Guarantees made by a subsidiary to the net worth referred to in the preceding paragraph shall refer to the balance of Endorsements and Guarantees made by the subsidiary to the Company's net worth.

Article 11: Where a subsidiary of the Company intends to make Endorsements and Guarantees for others, the Company shall instructs it to formulate its own Operational Procedures for Making endorsement and guarantee for Others as required.

Article 12: For circumstances in which an entity for which the Company makes any endorsement and guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the financial unit shall summarize the increase/decrease in Endorsements and Guarantees and balance on a monthly basis and report the same to the supervisor as required. The internal auditors shall audit the Operating Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violations found.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 13: Any matters not covered herein shall be implemented in accordance with the related laws and the Company's related regulations.

Article 14: The Operating Procedure shall be approved by a majority of the Audit Committee members, and submitted for approval by the shareholders meeting upon approval of the Board of Directors. Where it is impossible to have the Procedures approved by a majority of the Audit Committee members, it may be subject to approval of more than second-thirds of the whole directors, and the resolution of the Audit Committee shall be recorded in the directors' meeting minutes. The Audit Committee members and all directors shall be counted based on those who hold the position currently. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion for discussion by the shareholders meeting. The same shall apply to any amendments to the Procedures. When discussing the motion, the board shall take into full consideration each independent director's opinion, and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board of Directors' meeting

[Appendix 4]

les enphants Co., Ltd.
Shareholding of All Directors

The following is a summary of the number of shares held by all Directors as of the book closure period (April 29) for the 2025 Shareholders' Meeting:

April 29, 2025

Title	Name	Shares Held	
		Number of Shares	Holding Ratio
Chairman of the Board	Alex Lin	18,518,858	17.62%
Director	Wang Anya	0	0%
Director	Huang Shao-Hua.	0	0%
Director	Tseng Chia-Hung	4,690,989	4.46%
Independent Director	Mo Zhaohong	0	0%
Independent Director	Chen Beiweii	0	0%
Independent Director	Tsai Cheng-Hsian	0	0%
Subtotal of shares held by all Directors		23,209,847	22.08%
The minimum number of shares required to be held by the entire body of Director8s		8,000,000	7.61%

1. Total shares issued as of April 29, 2025: 105,125,999 shares of common stock
2. The Company elected more than two independent directors at the same time, hence the minimum shareholding percentage for all Directors other than independent directors can be decreased to 80%.