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ANNUAL
REPORT
2024



Les enfants Co.,Ltd.

ANNUALREPORT 2024

Les enfants Co.,Ltd.

Spokesperson, name of the deputy spokesperson, title, phone number and email

Spokesperson	Vice President	Marina Yu	Tel : (02)8797-6699	E-mail : marina.yu@enphants.com.tw
Deputy spokesperson	CEO / General Manager	Wilson Chan	Tel : (02)8797-6699	E-mail : wilson@enphants.com.tw

Address and phone number of Headquarter, Branch and Plant

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Branch	none		
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Name, Address, Website and Phone Number of Stock Transfer Agent

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Name of Auditors and the name, address, website, and phone number of the accounting firm for the financial report in the most recent fiscal year

CPA Vivian Yeh and Irene Wong			
Deloitte & Touche Taiwan			
20F, No.100, Songren Rd, Xinyi Dist, Taipei City		Tel : (02) 2725-9988	
http://www.deloitte.com.tw			
http://www.deloitte.com.tw			

Name of the stock exchange for overseas securities exchange and the method for inquiring the information of the overseas securities

none			
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Corporate Website

http://www.enphants.com/c/index.php			
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One. Letter to Shareholders

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

A handwritten signature in black ink, appearing to read "Alex Lin", with a long horizontal flourish extending to the right.

Two. Corporate Governance Report

I. Information of Directors, General Manager, Vice President, Assistant Vice President, Chief of Departments and Branches

(I) Directors

1. Information of directors

2025.4.29

Title	Nationality or Registration Place	Name	Gender Age	Date Selected	Term	Date First Selected	Shares Held when Selected		Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held through Nominees		Major Work Experience (Education Background)	Positions Concurrently Held in the Company and Other Companies	Other supervisors, directors or supervisors with the relationship of spouse or within the second degree		
							Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %			Title	Name	Relationship
Chairman	Hong Kong	Alex Lin	Male 50-60 years old	2023.6.30	3 years	2002.5.28	24,837,933	13.44	24,675,700	17.59	0	0	0	0	Bachelor Degree in Economic Development and International Relation, Cornell University,	Director of Genius Toy Taiwan Co., Ltd. Note 2	None	None	None
Director	Republic of China	Jonny Tseng	Male 40-50 years old	2023.6.30	3 years	2014.6.18	8,095,017	2.67	6,254,652	4.46	0	0	0	0	Bachelor Degree, Department of Tourism Management, Chinese Culture University	Director of Phoenix Tours International, Inc.	None	None	None
Director	Republic of China	George Huang	Male 70-80 years old	2023.6.30	3 years	2017.6.22	0	0	0	0	0	0	0	0	Bachelor Degree, Telecommunication Engineering, National Chiao Tung University Co-founder and Chairman of Acer	Director of Acer Inc. Director of Motech Industries, Inc. Independent director of BIONET Corp. Supervisor, Apacer Technology Inc. Note 2	None	None	None
Director	Republic of China	Wang, An-Ya	Male 50-60 years old	2023.6.30	3 years	2023.6.30	0	0	0	0	0	0	0	0	Master of Business Studies, Columbia University	Chairman of Dongteng Innovation Investment Co., Ltd.	None	None	None

Title	Nationality or Registration Place	Name	Gender Age	Date Selected	Term	Date First Selected	Shares Held when Selected		Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held through Nominees		Major Work Experience (Education Background)	Positions Concurrently Held in the Company and Other Companies	Other supervisors, directors or supervisors with the relationship of spouse or within the second degree		
							Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %	Number of shares (shares)	Shareholding Ratio %			Title	Name	Relationship
Independent Director	Republic of China	Chen, Bei-Wei	Male 50-60 years old	2023.6.30	3 years	2023.6.30	0	0	0	0	0	0	0	0	Master of Accountancy, National Chung Cheng University	Wistron Delin Associates Accountant Innox Wealth Management Consulting Co., Ltd. Director British Cayman Islands Shannano Co., Ltd. Independent Director Genya Biotechnology Co., Ltd. Independent Director	None	None	None
Independent Director	Republic of China	Zheng-Xian Cai	Male 50-60 years old	2023.6.30	3 years	2017.6.22	0	0	0	0	560	0	0	0	PhD, University of Minnesota, USA	Chairman, Bionet Corp CEO, Genetics Generation Advancement (GGA Corp.) Independent Director ,CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. Independent Director ,LIEN CHANG ELECTRONIC ENTERPRISE CO., LTD Director ,Sunrise Scientific Company Limited Chairman, CROWN STAR ALLIANCE LIMITED Chairman, STAR FORD (SAMOA) LIMITED Independent Director ,KAIMEI ELECTRONIC CORP. Director ,SANHO CHEMICAL CO., LTD. Director , GENETICS GENERATION ASIA SDN BHD	None	None	None
Independent Director	Canada	Mo, Zhao Hong	Male 50-60 years old	2023.6.30	3 years	2023.6.30	0	0	0	0	0	0	0	0	Master of Business Administration, Queen's University, Canada	None	None	None	

Note 1: Corporate shareholders shall respectively list the names and corporate shareholders and their representatives (the name of the corporate shareholder shall be specified if it is a representative of a corporate shareholder) and fill in Table 1 below.

Note 2: For the positions concurrently held in the Company's affiliates, please refer to the description for information of directors, supervisors and general managers of all affiliates on P.83 to 84 of this annual report

2. Professional knowledge and independence criteria

Title	Name	Condition	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
			An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Chairman	Alex Lin				✓					✓	✓	✓		✓	✓	✓	✓	0
Director	Jonny Tseng				✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Director	George Huang				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Director	Wang,An-Ya				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director	Chen,Bei-Wei		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director	Zheng-Xian Cai				✓	✓				✓	✓	✓		✓	✓	✓	✓	3
Independent Director	Mo Zhao Hong				✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note:Please tick the corresponding boxes if directors or supervisors have been any of the following during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the Company or its parent company, subsidiary or an independent director established in accordance with local laws and regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three

subparagraphs. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).

- (6) Not when a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
 - (7) Not when the chairman, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
 - (8) Not a director (or governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (this restriction does not apply to any specified company or institution that holds more than 20% but below 50% of the Company's total issued shares, as well as independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
 - (9) Not a professional individual who, or an owner, partner, director (or governor), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
 - (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
 - (11) Not been a person of any conditions defined in Article 30 of the Company Act.
 - (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.
3. The following table discloses the implementation of diversity policy of directors:

Title	Name	Gender	Age	The ability to make judgments	Accounting and financial analysis	Business management ability	Crisis management ability	Knowledge of the industry	An international market	Leadership ability	Decision-making ability
Chairman	Alex Lin	Male	50~60	✓	✓	✓	✓	✓	✓	✓	✓
Director	Jonny Tseng	Male	40~50	✓	✓	✓	✓	✓	✓	✓	✓
Director	George Huang	Male	70~80	✓	✓	✓	✓	✓	✓	✓	✓
Director	Wan An Ya	Male	50~60	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Chen Bei Wei	Male	50~60	✓	✓	✓	✓	✓	✓	✓	✓

Independent Director	Zheng-Xian Cai	Male	50~60	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Mo Zhao Hong	Male	50~60	✓	✓	✓	✓	✓	✓	✓	✓

4. The number of female directors on the current Board does not meet the one-third threshold. This is primarily due to considerations of business development needs and the specific characteristics of the industry. As such, the one-third requirement has not yet been met. Going forward, the Company will appoint additional female directors in accordance with applicable regulations to achieve compliance with the required ratio.

(II) Information of General Manager, Vice President, Assistant Vice President, Chief of Departments and Branches

2025.4.29

Title	Nationality	Name	Gender	Date of Taking Office	Shares Held		Shares Held by Spouse and Minor Children		Shares Held through Nominees		Major Work Experience (Education Background)	Positions Concurrently Held in Other Companies	Manager with the relationship of spouse or a relative within the second degree of kinship		
					Number of shares	Shareholding Ratio %	Number of shares	Shareholding Ratio %	Number of shares	Shareholding Ratio %			Title	Name	Relationship
CEO	Canada	Wilson Chan	Male	2023.02.01	0	0	0	0	0	0	MBA, Faculty of Management, Tokyo Globis University	Note 1	None	None	None
Vice President of Brand & Operation Group	United States	Ricardo S.Davila	Male	2023.02.01	0	0	0	0	0	0	New York University Stern School of Business MBA MIT MS in Civil Engineering	None	None	None	None
Vice President of Financial Administration Management Group	Republic of China	Tsai, Ming-Chi	Male	2020.01.02	0	0	0	0	0	0	Master of Accounting, Soochow University	Note 1, 2	None	None	None
Vice President of Financial Administration Management Group	Republic of China	Marina Yu	Female	2025.04.07	0	0	0	0	0	0	National Tsing Hua University	None	None	None	None
Vice President of Social Responsibility Department	Republic of China	Brenda Lin	Female	2019.07.01	360,000	0.26	0	0	0	0	M.F.A. from Columbia University (U.S.A.)	Note 1,3	None	None	None
Senior associate manager of brand management group	Republic of China	Sun, Yun-Rui	Male	2024.02.01	0	0	0	0	0	0	Bachelor of Business Administration, California Institute of Technology	None	None	None	None
Senior Associate Manager, International Brand Business Office	Republic of China	Qiu, Xing-Hui	Female	2014.04.01	0	0	0	0	0	0	Bachelor of Mass Communication, Fu Jen University	None	None	None	None
Senior Associate Manager of Commodity Management Office	Republic of China	Zhan, Wen-Yuan	Female	2023.12.18	0	0	0	0	0	0	Department of International Trade, Taipei College of Commerce	None	None	None	None
Assistant Vice President of President's Office	Republic of China	Johnson Wu	Male	2017.10.01	0	0	0	0	0	0	EMBA in Business Administration, Soochow University	Note 1	None	None	None

Assistant Vice President of Logistics Division	Republic of China	Chang-Yi Wang	Male	2016.02.01	0	0	0	0	0	0	0	Master of Business Operation, California State Technology University	None	None	None	None
Assistant Manage of Strategic Planning Office	Republic of China	Yao,Han-Zhi	Female	2023.07.10	0	0	0	0	0	0	0	MBA, University of Pennsylvania School of Business	Note 4	None	None	None
Assistant Vice President of Operation Division	Republic of China	Jack Wang	Male	2024.07.22	0	0	0	0	0	0	0	Indiana University (U.S.A.)	None	None	None	None
Assistant Vice President of Brand Marketing Division	Republic of China	Jacqueline Hsiao	Female	2025.01.02	0	0	0	0	0	0	0	Boston University (U.S.A.)	None	None	None	None
Assistant Vice President of naenac Business Division	Republic of China	Chang, Kuang-Hui	Male	2019.09.02	0	0	0	0	0	0	0	Bachelor of Business Administration, Chinese Culture University	Note 5	None	None	None
Human Resources Department Director	Republic of China	Cheng, Hsiu Ling	Female	2020.02.01	280	0	0	0	0	0	0	Master of Business Administration, National Taiwan University	Note 6	None	None	None
Senior Associate Director of Brand Development Department	Republic of China	Chen,Ke-Han	Male	2023.09.01	0	0	0	0	0	0	0	Bachelor's degree, Department of International Business and Trade, National Chengchi University	Note 7	None	None	None

Note 1: For the positions concurrently held in the Company's affiliates, please refer to the description for information of directors, supervisors and general managers of all affiliates on P.83 to 84 of this annual report.

Note 2: Resigned on April 18, 2025.

Note 3: Resigned on March 31, 2025.

Note 4: Resigned on April 8, 2025.

Note 5: Resigned on July 21, 2024.

Note 6: Dismissed on February 1, 2023.

Note 7: Resigned on March 23, 2024.

(III) Remuneration paid to directors, supervisor, general manager and Assistant Vice President for the most recent fiscal year

1. Remuneration of directors

2024. 12.31; Unit: in thousand TWD/thousand shares

Title	Name	Remuneration of directors								Remuneration paid to employees concurrently serving other positions												The total amount of A, B, C, D, E, F, G, H and I and the ratio of the total amount of A, B, C, D, E, F, G, H and I to the net profits after tax		Whether receiving remuneration from investee companies other than subsidiaries				
		Remuneration (A)		Retirement compensation and pension (B)		Remuneration of directors (C)		Expenses for Professional Practice(D)		Salary, Bonus and Special Disbursement (E)		Retirement compensation and pension (F)		Employee remuneration (G)				Employee stock option certificate to subscribe for shares (H)		Obtaining the number of new shares that limit employee rights (I)								
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements		The Company	All companies in the financial statements		
Chairman (Note 1)	Alex Lin	0	0	0	0	0	0	40	58	40 (0.01%)	58 (0.01%)	30	5,899	0	400	0	0	0	0	0	0	0	0	0	0	70 (0.02%)	6,357 (1.49%)	0
Director	Jonny Tseng	0	0	0	0	0	0	40	40	40 (0.01%)	40 (0.01%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40 (0.01%)	40 (0.01%)	0
Director	George Huang	0	0	0	0	0	0	40	40	40 (0.01%)	40 (0.01%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40 (0.01%)	40 (0.01%)	0
Director	Wan An Ya	0	0	0	0	0	0	30	30	30 (0.01%)	30 (0.01%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30 (0.01%)	30 (0.01%)	0
Independent Director	Zheng-Xian Cai	1,200	1,200	0	0	0	0	30	30	1,230 (0.24%)	1,230 (0.24%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,230 (0.24%)	1,230 (0.24%)	0
Independent Director	Chen, Bei-Wei	1,200	1,200	0	0	0	0	40	40	1,240 (0.29%)	1,240 (0.29%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,240 (0.29%)	1,240 (0.29%)	0
Independent Director	Mo Zhao Hong	1,200	1,200	0	0	0	0	40	40	1,240 (0.29%)	1,240 (0.29%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,240 (0.29%)	1,240 (0.29%)	0

1. Describe the policies, systems, standards, and packages for determining remuneration to independent directors, and its linkage to factors such as operating performance, future risk exposure and time invested: The remuneration to independent directors is handled in accordance with Articles 6 and 7 of the Rules of Organization of the Company's Remuneration Committee. The Company refers to norms in the industry as well as taking the following factors into consideration, including the results of individual performance evaluation, time invested, duties undertaken, the achievement of personal goals, performance for other positions, the remuneration received in recent years by someone in the equivalent position, the achievement of the Company's short-term and long-term business objectives, the Company's financial position, as well as reasonable linkage to the Company's operating performance and future risk exposure. The Company's independent directors meet the relevant professional qualifications and perform exceptionally well in other positions. In addition to serving as independent directors, they also serve as members of the Audit Committee and the Remuneration Committee by regularly participating in the discussion and deliberation of these matters and rendering professional advice. In order to maintain the professionalism and independence of independent directors, the Company's independent directors receive fixed remuneration and transportation fee for attending meetings without participating in the earnings distribution as director remuneration.
2. Other than disclosed above, the Directors who received remuneration for providing services (e.g. serving as a non-employee consultant) to the companies in the consolidated financial statements of the most recent year: None.
- Note 1: For the positions concurrently held in the Company's affiliates, please refer to the description for information of directors, supervisors and general managers of all affiliates on P.84 to 84 of this annual report.

2. Remuneration of general manager and Vice President

2024.12.31; Unit: in thousand TWD/thousand shares

Title	Name	Salary (A)		Retirement compensation and pension (B) (Note 1)		Bonus and Special Disbursement (C)		Amount of employee remuneration (D)				The total amount of A, B, C, and D and the ratio of the total amount of A, B, C, and D to the net profits after tax (%)		Whether receiving remuneration from investee companies other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Amount of cash remuneration	Amount of stock remuneration	Amount of cash remuneration	Amount of stock remuneration			
General Manager	Wilson Chan	7,250	7,250	0	0	0	0	0	0	0	0	7,250 (1.70%)	7,250 (1.70%)	None
Vice President of Social Responsibility Department	Brenda Lin	1,441	1,441	73	73	240	240	0	0	0	0	1,754 (0.41%)	1,754 (0.41%)	None
Vice President of Brand & Operation Group	Ricardo S.Davila	3,620	3,620	108	108	0	0	0	0	0	0	3,728 (0.87%)	3,728 (0.87%)	None
Vice President of Financia Administration Management Group	Tsai, Ming-Chi	2,671	2,671	108	108	240	240	0	0	0	0	3,019 (0.71%)	3,019 (0.71%)	None

3. The remuneration of the top five remuneration supervisors

2024.12.31; Unit: in thousand TWD/thousand shares

Title	Name	Salary (A)		Retirement compensation and pension (B)		Bonus and Special Disbursement (C)		Amount of employee remuneration (D)				The total amount of A, B, C, and D and the ratio of the total amount of A, B, C, and D to the net profits after tax (%)		Whether receiving remuneration from investee companies other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Amount of cash remuneration	Amount of stock remuneration	Amount of cash remuneration	Amount of stock remuneration			
General Manager	Wilson Chan	7,250	7,250	0	0	0	0	0	0	0	0	7,250 (1.70%)	7,250 (1.70%)	None
Senior associate manager	Sun, Yun-Rui	3,631	3,631	99	99	0	0	0	0	0	0	3,730 (0.87%)	3,730 (0.87%)	None
Vice President	Ricardo Davila	3,620	3,620	108	108	0	0	0	0	0	0	3,728 (0.87%)	3,728 (0.87%)	None
Vice President	Tsai, Ming-Chi Note 1	2,671	2,671	108	108	240	240	0	0	0	0	3,019 (0.71%)	3,019 (0.71%)	None
Senior Associate Manager	Zhan, Wen-Yuan	2,761	2,761	108	108	0	0	0	0	0	0	2,869 (0.67%)	2,869 (0.67%)	None

4. Name of officers receiving employee remuneration and the distribution situation.
No employee remuneration allocated in 2023

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by all other companies included in the consolidated financial statements during the past 2 fiscal years to directors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by all other companies included in the consolidated financial statements during the past 2 fiscal years to directors, general managers, and assistant general managers

Title	The ratio of total amount to net profits after tax of 2023		The ratio of total amount to net profits after tax of 2024	
	The Company	All other companies included in the consolidated financial statements	The Company	All other companies included in the consolidated financial statements
Director				
General Manager and Vice President	(2.77%)	(3.97%)	(4.59%)	(6.10%)

2. The policies, standards, and portfolios for the payment of directors' remuneration, the procedures for determining remuneration, and the correlation with future risks and business performance.

(1) Policy, standards and portfolios of remunerations: The remuneration policy is formulated to ensure that the Company's compensation arrangement complies with applicable laws and regulations, and are sufficient to recruit high-performing talent. The Company's directors' remuneration policy is based on provisions from its Articles of Incorporation and references individual director's participation in and contributions to Company operations, and does not exceed the maximum compensation standard stipulated by the Company's compensation review procedures. In addition, the remuneration policy also takes into account industry standards at home and abroad, and is submitted by remuneration committee, approved by the board of directors, and then reported to the shareholders' meeting in line with the laws. Directors are not paid salaries, and the remuneration structure consists of directors' remunerations and income from professional practice. Directors may receive honorarium during professional practices.

(2) Procedures for determining remuneration: If the Company has a surplus, it shall distribute the remuneration according to Article 26 of its Articles of Incorporation. The distribution method shall be proposed by the remuneration committee and submitted to the board of directors for approval, and announced to the shareholders' meeting.

(3) Correlation with future risks and business performance: The Company's directors' remuneration is handled in line with its Articles of Incorporation, and is not distributed on a fixed basis. It is distributed in line with the Company's current profitability, and is therefore correlated with the Company's business performance. Additionally, the

remuneration committee regularly evaluates and reviews the compensations and remunerations for directors, and relevant results are submitted to the board of directors for discussion to ensure that it is in line with the Company's sustainable operational results.

3. The policies, standards, and portfolios for the payment of General Manager and Deputy General Managers' compensations, the procedures for determining compensations, and the correlation with future risks and business performance:

(1) Policy, standards and portfolios of remunerations: The remuneration policy is formulated to ensure that the Company's compensation arrangement complies with applicable laws and regulations, and are sufficient to recruit high-performing talent. The performance evaluation and compensations for managerial officer takes into consideration the general pay levels in the industry, individual performance assessment results, the time commitment of the individual and their responsibilities, the extent of goal achievement, their performance in concurrent positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company. Pursuant to regulations, the compensation packages are reviewed by the remuneration committee and determined by the board of directors and carried out pursuant to its resolutions. Compensations for managers are mostly comprised of fixed salaries, variable bonuses, and pension appropriations. The amount of individual year-end bonus is distributed based on individual performance evaluation, and the standard of such distribution is implemented upon review from the remuneration committee and approval from the board.

(2) Procedures for determining compensations: If the Company has a surplus, it shall distribute the compensations according to Article 26 of its Articles of Incorporation. The actual figure of employee compensations will be resolved by the board of directors and reported to the shareholders' meeting.

(3) Correlation with future risks and business performance: The Company's employees' remuneration is handled in line with application laws and regulations and current operational performance, and the distribution standard, structure and system are also reviewed and adjusted based on actual operational conditions and changes in the legal environment. To ensure the reasonableness of the overall compensations, the remuneration committee also regularly reviews compensations for managers and provides recommendations to the board of directors for review and discussion.

II. Implementation of Corporate Governance

(I) Operation of the Board of Directors

A total of 6 (A) meetings of the board of directors were held in the most recent fiscal year (2024) Director and supervisor attendance was as follows

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) B/A	Remarks
Chairman	Alex Lin	4	0	100	None
Director	Jonny Tseng	4	0	100	None
Director	George Huang	4	0	100	None
Director	Wan An Ya	4	0	100	None
Independent Director	Zheng-Xian Cai	4	0	100	None
Independent Director	Mo Zhao Hong	4	0	100	None
Independent Director	Chen Bei Wei	4	0	100	None

Any other matters that require reporting:

I. Where the operation of the Board of Directors has one of the following situation, the date, term, content of proposal, opinions of all independent directors, and the disposal of the opinions of independent directors by the Company shall be specified:

(I) Matters provided in Article 14-3 of the Securities and Exchange Act: Please refer to Page 47 to 50.

(II) Apart from aforementioned matters, other directors that independent directors oppose or have qualified opinions with record or written declaration: None.

II. Implementation of directors' recusal of stake-holding proposals: None

III. Assessment on the goal (such as establishing audit committee and improving information transparency) and implementation on strengthening the function of the Board of Directors in the current year and the most recent fiscal year: The Company established Audit Committee on June 22, 2017, which assesses the remuneration policy and system of directors, supervisors, and managerial officers in a professional and objective position and makes recommendations to the Board as a reference of the decision-making. The 2nd term of Remuneration Committee of the Company already held 12 meetings so far.

(II) Operation of Audit Committee or the Participation of Supervisors in the Operation of the Audit Committee

1. The Audit Committee convened 5 meetings (A) last year (2024) in the following manner:

Position	Name	Actual number of attendance (B)	Number of attendance by proxy	Actual attendance ratio (%) (B/A)	Remarks
Independent Director	Zheng-Xian Cai	4	0	100	4
Independent Director	Mo Zhao Hong	4	0	100	4
Independent Director	Chen Bei Wei	4	0	100	4

Any other matters that require reporting:

I. When any of the following conditions occur in the operations of the Audit Committee, the date and number of the Board of Directors meeting, content of the motion, decision from the Audit Committee and the ways the Audit Committee's opinion was handled shall be explained in detail:

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

Term and Date	Agenda	Resolution from the Audit Committee	The Company's response to the comments of the Audit Committee
Third term of the	1. 2023 Business Report and Consolidated	Approved	Approved by all

Committee 4th Meeting 2024.03.05	Financial Statements. 2. 2023 Statement of Internal Control. 3. 2023 Audit Committee's Review Report. 4. Endorsements/guarantees provided by the Company to subsidiaries. 5. The company's overdue payments to its subsidiaries Shanghai Les Enphants and Suzhou Les Enphants are not in the nature of capital loans. 6. The company plans to reduce capital to make up for losses.	as proposed without dissent.	Directors in attendance.
Third term of the Committee 5th Meeting 2024.05.09	1.Q1 (First Quarter) 2024 Consolidated Financial Statements. 2.2024 Evaluation of Auditor Compensation and Independence 3. Endorsements/guarantees provided by the Company to subsidiaries.	Approved as proposed without dissent.	Approved by all Directors in attendance.
Third term of the Committee 6th Meeting 2024.08.06	1.Q2 (Second Quarter) 2024 Consolidated Financial Statements. 2.Endorsements/guarantees provided by the Company to subsidiaries. 3.Amendment to the Company's Regulations Governing Related Party Transactions	Approved as proposed without dissent.	Approved by all Directors in attendance.
Third term of the Committee 7th Meeting 2024.11.07	1.Q3 (Third Quarter) 2024 Consolidated Financial Statements. 2.2025 Audit Plan.	Approved as proposed without dissent.	Approved by all Directors in attendance.

(2) All other motions that were did not resolved by the Audit Committee and resolved by more than two-thirds of all Directors: Not applicable.

II. Recusal of Independent Directors for motions that pose conflicts of interest. Please provide name(s) of Independent Director(s), content of motion, reason for conflict of interest, and participation in the vote of the motion: Not applicable.

III. Communications between the Independent Directors and Internal Audit Managers (including material matters, methods, and results of discussion pertaining to Company financial and business conditions):

1. The Independent Directors communicate with Internal Audit Manager through the Audit Committee.

The Internal Audit Manager reports the internal audit status and implementations of the internal control; moreover, monthly internal audit reports and follow-up on revisions are emailed to Independent Directors for them to review in each month. Please see the table below for an abstract of communications between the Independent Directors and the Internal Audit Manager:

Date	Matter of communication	Result of communication
2024.01.29	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted December 2023 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.02.22	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted January 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.03.25	Internal audit supervisor explains about the implementation status of	Submitted February 2024 Audit Report to Independent Directors

	internal audit procedures.	via email, and Independent Directors did not express dissent.
2024.04.26	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted March 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.05.29	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted April 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.06.28	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted May 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.07.23	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted June 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.08.26	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted July 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.09.20	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted August 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.10.18	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted September 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.11.26	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted October 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2024.12.23	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted November 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.

2025.01.23	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted December 2024 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2025.02.28	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted January 2025 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.
2025.03.31	Internal audit supervisor explains about the implementation status of internal audit procedures.	Submitted February 2025 Audit Report to Independent Directors via email, and Independent Directors did not express dissent.

2. Independent Directors at least convene one meeting with CPA in each quarter, and the CPA will communicate the matters contained in IFRS No. 39 with the Independent Directors. Please see below for an abstract on the communications between the Independent Directors and the CPA.

Date	Matter of communication	Communication result
2024.03.05	CPA communicates and explains about the audit plan for 2023 Financial Statements	Aforementioned matters have all been approved by the Audit Committee with no dissent from the Independent Directors.
2024.05.09	Discussion on audit progress for Q1 2024 Financial Statements, including problems or difficulties and responses from the management during audit procedures.	Aforementioned matters have all been approved by the Audit Committee with no dissent from the Independent Directors.
2024.08.06	Discussion on audit progress for Q2 2024 Financial Statements, including problems or difficulties and responses from the management during audit procedures.	Aforementioned matters have all been approved by the Audit Committee with no dissent from the Independent Directors.
2024.11.07	Discussion on audit progress for Q3 2024 Financial Statements, including problems or difficulties and responses from the management during audit procedures.	Aforementioned matters have all been approved by the Audit Committee with no dissent from the Independent Directors.

(III) The differences between the operation of corporate governance and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Assessment items	Operation		The differences compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No		Summary description
I. Does the Company stipulated and disclose Corporate Governance Best Practice Principles in accordance with “Governance Best Practice Principles forTWSE/TPEX Listed Companies?”	V		“Corporate Governance Best Practice Principles” of the Company was passed by the Board of Directors on March 19, 2020, and the corporate governance was conducted in accordance with the Principles.	No difference
II. The Company’s equity structure and shareholder’s equity				
(I) Does the Company stipulate internal operation procedure for recommendations, concerns, disputes, and litigation raised by shareholders and implement such matters in accordance with the procedure?	V		(I) The Company already established spokesperson system to handle relevant matters: Disputes between shareholders and the Company will be handled by the legal counselor of the Company. The Company also stipulated “Corporate Governance Best Practice Principles” to protect the interests of shareholders, and the corporate governance is implemented in accordance with relevant regulations.	No difference
(II) Does the Company control and list of major shareholders who actually control the Company and the ultimate controllers of these major shareholders?	V		(II) The Company controls the list of major shareholders and their ultimate controllers in accordance with the shareholder list of the registrar and declares the equity changes of insiders on a regular basis.	No difference
(III) Does the Company establish and implement the risk control and firewall mechanism against affiliates?	V		(III) The investment matters of the Company are conducted in accordance with “Regulations Governing Investees”, “Internal Control System”, “Internal Audit System”, and relevant laws and regulations.	No difference
(IV) Does the Company stipulate internal regulations to prohibit insiders of the Company to engage in securities transactions with undisclosed information in the market?	V		(IV) The Board of Directors of the Company passed “Ethical Corporate Management Best Practice Principles” on March 19, 2020, in which provides: All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.	No difference
III. The Composition and Duties of the Board of Directors				
(I) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	V		(I) The diversification policy provided in the Rules for Election of Directors of the Company includes gender, age, nationality, culture, professional background, professional skills, and experience in the industry. The selection of directors has been implemented in accordance with these standards. The Company has already disclosed its diversity policy and status of implementations on the Company website.	No difference

Assessment items	Operation		The differences compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No		Summary description
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company voluntarily plan to set up other functional committees?	V		(II) No other functional committees have been set up besides having established a Remuneration Committee and Audit Committee in accordance with relevant laws, and the Company will set up other functional committees in accordance with legal regulations or based on operating needs.	It will be timely conducted based on the actual demand of the Company.
(III) Does the Company formulate Regulations and Procedures for Evaluation of the Board of Directors to conduct an internal board performance evaluation every year, as well as reporting the results to the Board of Directors as reference for remuneration to individual directors and nomination for re-election?	V		(III) The Company has already established Performance Evaluation Procedures and Methods for the Board of Directors on March 21, 2019, and the Procedures have been put into practice in 2019.	No difference
(IV) Does the Company evaluate its CPA's independence on a regular basis?	V		(IV) After evaluating the financial interests, finance guarantees, business relations, family and personal relations, employment relations, receiving gifts and special offers, rotations of CPA, and non-audit business by the Finance Division of the Company, we believe CPA Ming-Hsing Cho and Irene Wong meet the independence evaluation standards of the Company. The Board of Directors passed the CPA independence evaluation on May 2, 2023	No difference
IV. Does the listed company have an adequate number of corporate governance personnel with appropriate qualifications, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs (including but not limited to providing directors and supervisors with information needed for undertaking their duties, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, producing minutes of board meetings and shareholders meetings)?	V		<ol style="list-style-type: none"> 1. The Chairman Office of the Company is held accountable for furnishing information required for business execution by directors and supervisors, handling matters relating to holding Board of Directors' meetings, and producing minutes of Board of Directors meetings. 2. General Affairs Division of the Company is held accountable for handling matters relating to holding Shareholders' Meetings. 3. The Finance Division of the Company is held accountable for producing minutes of Shareholders' Meetings, handling corporateregistration and amendment registration. 	No difference
V. Has the Company established a means of communicating with its Stakeholders or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions	V		The company create a Stakeholder Section on the official website. Stakeholders may contact the Company via phone calls or e-mails.	No difference

Assessment items	Operation		The differences compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
incorporate responsibilities?			
VI. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company appointed SinoPac Securities Investment Trust Co., Ltd. as our registrar for our Shareholders' Meetings and stock matters.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	V		(I) The Company established a corporate website to disclose information regarding its financial, business and corporate governance status: www.enphants.com .
(II) Does the Company adopt other information disclosure methods (such as establishing an English website, designating personnel to handle information collection and disclosure, implementing Spokesperson system, broadcasting investors conference on the official website)?	V		(II) 1. English website: www.enphants.com/html/ . 2. The Company designates personnel, based on the duty, to handle information collection and disclosure. 3. The Company established spokesperson system, which include one spokesperson and one deputy spokesperson. 4. The Company disclosed the investor conference information on the official website.
(III) Does the Company publish its annual financial report within two months after the end of a fiscal year, as well as publishing its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V		(III) The Company performs public announcement and registration before the specified deadline in accordance with the laws on MOPS Public Information Observatory Announcement and Application Website https://mops.twse.com.tw/mops/web/t163sb01
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee cares, investor relations, supplier relations, rights of stakeholders, director and supervisor stakeholders, director and supervisor training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(I) Employee rights: The Group attaches great importance to employee rights. Other than conducting employee insurances and distributing pensions, we also establish bilateral communication channel and create a harmonious working environment to smoothly promote our businesses. (II) Employee cares: The Group attaches great importance to employee benefits, hoping to cultivate a greater teamwork through benefits and activities for our employees who devote themselves in the work. For example, Employee Benefits Committee and Clubs. Other than Labor Insurance and National Health Insurance, we also provide group insurance and emphasize on the educational training for employees. (III) Investor relations: We enrich our official website for the reference of investors and handle shareholder recommendation through spokesperson system. (IV) Supplier relations: The Group collaborates with suppliers for a long term, which stabilizes the

Assessment items	Operation		The differences compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>delivery date and quality. We maintain an excellent and stable partnership with suppliers.</p> <p>(V) Rights of stakeholders: Stakeholders may obtain company information from our official website and communicate with and make suggestions to the Company to protect their legitimate rights.</p> <p>(VI) Director and supervisor training records: The Company does not compulsively require directors and supervisors to take professional knowledge courses, but it does actively encourage them to participate in such courses and post their training record on Market Observation Post System. Please refer to the Table below for the record.</p> <p>(VII) Implementation of risk management policies and risk evaluation measures: We adopt precautionary management in an active attitude to deal with the possible risks that the corporate operation may encounter. We implement risk management through strict internal standard operation norms and minimize the operating risks and costs. Meanwhile, all management levels regularly participate in operating management meetings and conduct communications on an irregular basis to identify, study and evaluate all major risk factors in the corporate operation of all departments and divisions. Management level will also aggregate, analyze, and study the relevant operational procedures of major risk factors, stipulate improvement plans and response measures to lower the chance of the risks from happening and reduce the operating losses of the Company.</p> <p>(VIII) Implementation of customer relations policies: The Group satisfies consumer demands by providing high-quality products and touching service quality. The brand image already earned the trusts and loyalties of consumers. We also establish a comprehensive customer complaint disposition mechanism to protect the interests of consumers.</p> <p>(IX) Purchasing liability insurance for directors and supervisors: By adhering to the Ethical Corporate Management Best Practice Principles, directors and supervisors of the Company are not involved in any</p>	

Assessment items	Operation		The differences compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description
			litigation or illegal actions. The Company also purchased liability insurances for directors, supervisors and managers.

The information below is the training hours for directors and supervisors, courses and organizer in 2024:

Title	Name	Organizer	Course Name	Training Hours
Director	George Huang	Taiwan Corporate Governance Association	Hostile Takeover Defense and Offense Strategies and Related Corporate Governance Issues	3
Director	George Huang	Taiwan Corporate Governance Association	Essential Knowledge for Directors and Supervisors: Understanding How Perpetrators Exploit Irregular and Related Party Transactions	3
Director	Jonny Tseng	Taiwan Stock Exchange	2024 Sustainable Finance and Climate Change Summit Forum	6
Director	Alex Lin	Taiwan Corporate Governance Association	2024 Fubon Property & Casualty Insurance ESG and Information Security Risk Management Seminar	3
Independent Director	Zheng-Xian Cai	Accounting Research and Development Foundation	Advanced Training Course for Directors of Listed Companies – Financial Statement Analysis and Trends in Financial Accounting	3
Independent Director	Zheng-Xian Cai	Accounting Research and Development Foundation	Net-Zero Carbon Summit Forum	3
Independent Director	Mo Zhao Hong	Financial Supervisory Commission R.O.C.	2024 Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Chen Bei Wei	CPA Associations R.O.C.	Lead Verifier Training for Greenhouse Gas Inventory Standards	6

IX. Please describe improvements based on the corporate governance evaluation result in the most recent year released by the Corporate Governance Center of Taiwan Stock Exchange and propose priority improvement plans and measures for deficiencies that have not yet been improved

(I) Improvements

1. Diversity of members in the Board of Directors is already disclosed in Company website.
2. Specific methods on integrity management policy implemented.

(II) Priority improvement plans and measures

1. Greenhouse gas emissions, water consumption and total waste weight will be disclosed in 2025.

(IV) The Composition, Duty, and Operation of Remuneration Committee

1. Composition

Identity	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience	Independence Criteria (Note)	The number of	Remarks
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	Condition	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	
	Name														
Independent Director	Zheng-Xian Cai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Independent Director	Chen Bei Wei		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director	Mo Zhao Hong			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note: Please tick the corresponding boxes if directors or supervisors have been any of the following during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the Company or its parent company, subsidiary or an independent director established in accordance with local laws and regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (6) Not when a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not when the chairman, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a director (or governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship

with the Company (this restriction does not apply to any specified company or institution that holds more than 20% but below 50% of the Company's total issued shares, as well as independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).

- (9) Not a professional individual who, or an owner, partner, director (or governor), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations °
- (10) Not been a person of any conditions defined in Article 30 of the Company Act.

2. Main Duties

The Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below and respond to the Board of Directors, and shall submit its recommendations for deliberation by the board of directors:

- (1) Regularly review this Charter and make recommendations for amendments.
- (2) Establish and regularly review the standards of performance evaluation for the Company's Directors and managers and annual and long-term performance goals as well as policy, system, standards and structure of remunerations. Performance evaluation standards are also disclosed in the Annual Report.
- (3) Periodically assessing the degree to which performance goals for the Directors and managerial officers of the Company have been achieved, and setting the types and amounts of their individual compensation based on the performance evaluation results. Individual performance evaluation results for Directors and managers, as well as contents and amounts of individual compensation as well as correlation to performance evaluation results and reasonableness shall be disclosed in the Annual Report and reported to the Shareholders Meeting.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

- (1) Ensuring that the compensation arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
- (2) Performance assessments and compensation levels of Directors and managerial officers shall take into account the general pay levels in the industry, the individual performance evaluation results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.
- (3) There shall be no incentive for the Directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
- (4) For Directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.
- (5) Reasonableness shall be taken into consideration while establishing the contents and amounts of compensation packages for Directors and managerial officers, the compensations for

Directors and managers shall not significantly deviate from financial performance. In case of significant decline in profitability or long-term loss, the compensations for Directors and managerial officers shall not be higher than that of the previous year. In case compensations exceed that of the previous year, the reasonableness of which shall be disclosed in the Annual Report and reported at the Shareholders Meeting.

- (6) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

The term "compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures.

3. Operation

- (1) The Remuneration Committee of the Company contains three members.
- (2) Re-elections for the members of the Remuneration Committee was held on June 30, 2023, and the term of the newly appointed committee members is from June 30, 2023 to June 29, 2026. The Remuneration Committee convened 2 meetings (A) in the last year (2024) The qualification of the members and the meetings were convened in the following manner:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener	Zheng-Xian Cai	2	0	100	None
Member	Chen Bei Wei	2	0	100	None
Member	Mo Zhao Hong	2	0	100	None

Any other matters that require reporting:

I. With regard to the implementation of the Remuneration Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, the Remuneration Committee's resolutions and the Company's handling of such opinions shall be specified below

Date of meetin	Meeting resolutions	Resolution of the Remuneration Committee	The Company's actions in response to the opinions of the Remuneration Committee
2nd Meeting from the 5th Board 2024.03.05	1 .Approved distributions of employee bonus and Directors bonus for 2023. 2 .Approved the Company's 2023 performance evaluations for Directors and managers and contents and amounts of individual compensation packages, as well as assessment of correlation to performance evaluation and reasonableness. Evaluation was approved as appropriate.	After all the members present have no objections, the proposal has been sent to the board of directors for approval	Approved by all Directors in attendance.
3rd Meeting from the 5th	1.Approved 2024year-end bonus for managers.	After all the members present have no objections, the	Approved by all Directors in attendance.


Board 2024.11.07	proposal has been sent to the board of directors for approval
<p>II. If the Board of Directors declines to adopt, or will modify, a recommendation of the Remuneration Committee, the date, term, content of proposal, resolution by the Board of Directors, and the disposal of the opinions of members of the Remuneration Committee by the Company shall be specified (if the remuneration passed by the Board of Directors exceeds the recommendation of Remuneration Committee, the difference and reasons shall be specified): None.</p> <p>III. If any member of the Remuneration Committee oppose or have qualified opinions with record or written declaration to the resolution by the Committee, the date, term, content of proposal, opinions of all members, and disposal of the opinions shall be specified: None.</p>	


(V) Sustainable Development Implementation Status and The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Assessment items	Operation		The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No		
I. Does the Company have a dedicated (or ad-hoc) sustainable development unit with Board of Directors authorization for senior management, which reports to the Board of Directors?	V		The Company established Corporate Social Responsibility Office, which is headed by Director Brenda Lin. CSR Division is held accountable for setting the goal and establishing policies and systems of social responsibility, and the plans are stipulated and implemented by Integrated Marketing Division. CSR Division also reports to the Board of Directors on a regular basis. Please refer to the description on Page 31 to 32 for the 2024 Implementation Plan.	No difference
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?	V		“Code of Corporate Social Responsibility” of the Company was passed by the Board of Directors on March 19, 2020, and the corporate governance was conducted in accordance with the Principles.	No difference
III. Environmental issues				
(I) Has the Company establish an environmental management system designed to industry characteristics?	V		(I) The Company is committed to improving resource efficiency, including office papers, electricity, and water resources, and utilizing resources efficiently, as well as conducting waste classification and recycling	No difference
(II) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		(II) The Company is in compliance with laws and regulations concerning public safety, building, fire, labor safety and health to maintain a safe working environment. The Company’s products received GOTS organic cotton certification, Oeko-Tex Standard 100 environmental protection certification, which are the quality guarantee to the environment.	No difference
(III) Has the Company assessed the potential	V			

Assessment items	Operation		Summary description	The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
<p>risks and opportunities arising from climate change at present and in the future and taken related countermeasures?</p> <p>(IV) Has the Company calculated the greenhouse gas emissions, water consumption, and total volume of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?</p>	V		<p>(III) and (IV)The Company is committed to implementing measures for energy saving and carbon reduction. Apart from using lighting with higher energy efficiency, increasing the efficiency of air-conditions, shortening the operating hours of air-conditions and controlling the temperature, the Company also promote paperless operation. In 2024 and 2023 The CO2 emission by the Company was 445,005 kg and470,243 kg respectively. The goal of the Company in three years in to reduce the CO2 emission by 5%</p>	No difference/ No difference
<p>IV.Social issues</p> <p>(I) Does the Company stipulate management policies and procedures in compliance with regulations and international human rights principles?</p>	V		<p>(I) The Company stipulated Employee Work Rules, Employee Life Convention and Service Guidelines, Code of Ethical Conducts, Ethical Corporate Management Best Practice Principles as the behavior basis of employees. The Company also adopt a comprehensive performance evaluation system and stipulate remuneration reward regulations to inspire employees.</p>	No difference
<p>(III) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?</p>	V		<p>(II) The Employee Work Rules provide that labor-management meetings shall be held irregularly to coordinate labor-management relation,promotelabor-management collaboration, increase working efficiency, and strengthen service quality.</p>	No difference
<p>(III) Does the Company provide employees with a safe and healthy working environment and implementing regular safety and health training?</p>	V		<p>(III) The Company established Security Guards, access control, AED, dry-powder extinguisher, fire hydrant, foam fire extinguishing equipment, fire alarms, emergency broadcast equipment, exist lamps, fire escape equipment, and emergency lighting, and we also conduct elevator maintenance on a monthly basis. Apart from the fire inspection every six months, the Company also designate employees to obtain fire manager license. The Company provides employee health examination and implements disinfection in the working environment irregularly, as well as conduct promotions of significant disease information released by the government. The company organizes employee travel and family days every year to promote the physical and mental health of employees, and establishes a yoga club internally to encourage employees to develop exercise habits. The company's employee training has included safety and disaster prevention</p>	No difference

Assessment items	Operation		Summary description	The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
(IV) Has the Company established effective career development training plans?	V		<p>knowledge, equipment operation, and AED equipment use.</p> <p>(IV) The Company provides internal and external professional educational training for employee career development. The Company also encourage employees to evaluate personal interests, skills, value and goal and communicate with management for personal career intention to plan future career plan.</p>	No difference
(V) Has the Company formulated a consumer rights policy and grievance procedures for research and development, purchase, production, operations, and service?	V		<p>(V) The products of the Company, based on their natures, pass SEK anti-bacteria certification, SGS bacteria-resistance and anti-bacteria testing, SGS color fastness examination, CNS15290 and 15291 examination and SPF examination. Apart from educating employees with “customer-oriented” service principle, the Company also establishes “Customer Free-Toll Service Hot Line” for customers to reflect demands and opinions at any time.</p>	<p>No difference</p> <p>No difference</p>
(VI) Has the Company formulated supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?			<p>(VI) The contracts signed by the Company with major suppliers include clauses of compliance with the CSR policies of both companies and the termination clauses if they violate CSR policy and cause significant environmental and social impact on the community of the supply source.</p>	No difference

Assessment items	Operation		Summary description	The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
V. Does the Company follow internationally recognized guidelines or instructions in preparing its Sustainable Development Report to disclose its non-financial information? Has the company received assurance or certification of the aforementioned reports from a third-party accreditation institution?		V	The Company follows the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies in preparing its corporate social responsibility report	The Company follows the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies in preparing its corporate social responsibility report
VI.If the Company has established its sustainable development guidelines in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the operational status and differences: The Company established such guidelines in accordance with relevant regulations and complied with the regulations of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”. °				
<p>VI. Other important information to facilitate better understanding of the company’s implementation of corporate social responsibility:</p> <p>The Company adheres to the principles of “Love and Care”, and “Wherever children are, les enphants will be.” By holding charity and family events, our care extends beyond our shops. In addition, the seeds of love from les enphants are spread through making donations to economically-challenged areas, supporting mothers and infants, and making donations to the education of minority groups. The concrete implementation of events in 2022 are as follows:</p> <p>March 2024: Earth Hour</p> <p>Organized by the World Wildlife Fund (WWF), Earth Hour is the largest environmental protection activity around the world to promote energy conservation and environment preservation. Les Enphants invited all employees in headquarters to response. All lights were turned off at all Les Enphants stores around Taiwan for one hour from 20:30 to 21:30 on March 23, 2024 to show our support in practice.</p>				
				

Assessment items	Operation			The differences compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>November 2024: In response to World Prematurity Day, donate jumpsuits to the slap fairies</p> <p>This year marks the sixth time Liyingfang has responded to "World Prematurity Day on November 17." On the eve of World Prematurity Day, Liyingfang, a Taiwanese maternity and baby brand, donated 117 onesies specifically for premature infants to the Luodong Sacred Heart Hospital in Yilan. This is also the sixth consecutive year that Liyingfang has organized the public welfare campaign "Clothing to Protect Little Feet" and used the opportunity to raise social awareness on the issue of premature infants.</p> 				
Describe other information, if any, regarding "Corporate Responsibility Report" which is verified by certifying bodies: None.				

(VII) Implementation of Ethical Corporate Management Best Practice and the differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Item	Operation			The differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
<p>I. Formulate integrity management policies and plans</p> <p>(I) Has the Company formulated the Ethical Corporate Management Policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior</p>	V		<p>(I) "Ethical Corporate Management Best Practice Principles" of the Company was passed by the Board of Directors on March 19, 2020, and the corporate governance was conducted in accordance with the Principles.</p>	No difference

Item	Operation		Summary description	The differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
<p>management to the rigorous and thorough implementation of such policies?</p> <p>(II) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p>	V		<p>(II) The Company stipulated "Code of Ethical Conducts". Where the conducts of employees is in violation of the Code, proper disciplinary actions will be applied based on the seriousness of the conduct. The Company also have relevant appeal system for those who violates the Code of Ethical Conducts. In addition, directors, supervisor, managers and employees of the Company shall abide by the regulations of the Securities and Exchange Act, the Company Act, Business Entity Accounting Act, and other laws and regulations relating to business actions, as well as internal regulations of the Company and shall perform duties in an honest manner. No employee of the Company has breached the Ethical Corporate Social Management Principles in 2024. The Company already released announcement and applied disciplinary action of demerit.</p> <p>(III) The Company have legal personnel to review contracts to prevent illegal contracts, and the Audit Office performs irregular audits and keeps track to the improvement of illegal matters.</p>	No difference
<p>II. Ethic Management Practice</p> <p>(I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and</p>	V		<p>(I) To create an operating environment for sustainable development, the Company established an excellent corporate governance and risk control system based on integrity. We engage in business activities in a fair and transparent manner. The Company does not offer illegal finance nor receive inappropriate donations or sponsor, gifts, hospitality or other unjustified benefits.</p> <p>(II) The solid operation for the control of ethical management by the Company's Chairman Office is to clearly specify duties, strengthen employee performance evaluation, and perform audits on all major operations and on special projects in the organization through the Audit Office on a regular basis, and request management level to propose reports to the Board of Directors every year. In addition, the result of internal audit performed by internal audit personnel shall be directly reported to Chairman, General Manager and supervisors, and</p>	No difference

Item	Operation		Summary description	The differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
prevention programs against unethical conduct?			the management level shall make improvements concerning the deficiencies of the operating management.	
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) "Rules and Procedures of Board of Director Meetings" of the Company provide a recusal system for directors. Board of Directors may make statements and respond to inquiries but may not join the discussion and voting if he/she or the corporation that he/she represents has conflict of interest which may jeopardize the interests of the Company. During the discussion and voting, such directors shall recuse from the discussion or voting and shall not exercise the voting power as the agent of other directors. Supervisors of the company review audit reports on a regular basis to acknowledge the conflict of interests of the Company, as well as to maintain a smooth communication with stakeholders.	No difference
(IV) Does the company establish effective accounting and internal control systems that are audited by internal auditors or CPA on a regular basis to implement relevant policies on ethical conducts?	V		(IV) To ensure the implementation of ethical management, the Group established an effective accounting system and internal control system, and our internal audit personnel performs audit on the implementation of audit system on a regular basis.	No difference
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(V) In order to ensure the company's integrity and compliance with laws, it is necessary to conduct supervision and publicity in the monthly management meeting.	No difference
III. Implementation of Complaint Procedures				
(I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(I) The Company has already established "Standard Operating Procedures to Investigating Reporting Items and Enforcement Rules for Confidentiality". To ensure that appropriate personnel are designated to handle the matter, reporting channels have also been established on the Company's website.	No difference
(II) Does the company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	V		(II)and (III) The Company has already established 'Standard Operating Procedures to Investigating Reporting Items and Enforcement Rules for Confidentiality'. Employees may make complaints to the Company with concrete evidences if they suspect or discover any action that is in violation of laws and regulations or Code of Ethical Conducts. Complaints of the Company are classified. The Company will make every effort to prevent the complainant from retaliation.	No difference
(III) Does the company adopt	V			No difference

Item	Operation		Summary description	The differences compared to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
proper measures to prevent a complainant from retaliation for his/her filing a complaint?				
IV. Strengthen Information Disclosure Does the company disclose its ethical management as well as information about implementation of such guidelines on its website and Market Observation Post System?	V		The Company stipulated "Ethical Corporate Management Best Practice Principles". Company information is disclosed on our official website and Market Observation Post System. The Company will further strengthen the disclosure of information relating to Ethical Corporate Management Best Practice Principles.	No difference
V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the operational status and differences: The Company established Ethical Corporate Management Best Practice Principles in accordance with relevant regulations and complied with the regulations of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".				
VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the company's Ethical Corporate Management Best Practice Principles). The Company pays attention to the development of ethical management principles domestically and internationally at all times and encourages directors, supervisors, managerial officers and employees to propose suggestions to review and improve our ethical management principles.				

(VII) Where the Company stipulates Corporate Governance Best Practice Principles and relevant regulations, the Company shall disclose the inquiry methods

Please visit "Corporate Governance" on our official website: <http://www.enphants.com>.

(VII) Other important information that may enhance the understanding of the status of corporate governance may also be disclosed: None.

(VIII) Implementation Status of Internal Control System

1. Statement of Internal Control

麗嬰房股份有限公司 內部控制制度聲明書

日期：民國113年3月7日

本公司民國112年度之內部控制制度，依據自行評估的結果，謹聲明如下：

- 一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標之達成，提供合理的確保。
- 二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
- 三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊與溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
- 四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
- 五、本公司基於前項評估結果，認為本公司於民國112年12月31日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
- 六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
- 七、本聲明書業經本公司民國113年3月7日董事會通過，出席董事7人中，無人持反對意見，餘均同意本聲明書之內容，併此聲明。

麗嬰房股份有限公司

董事長：



總經理：



2. Where the Company entrusts CPA to audit its internal control system, the Company shall disclose the CPA audit report on internal control system: None.

(IX) In the most recent year and as of the date of publication of the annual report, the company and its internal personnel were punished according to law, the company punishes its internal personnel for violating internal control system regulations, major deficiencies and improvements, or the company punishes its internal personnel for violating internal control system regulations. If the result of the punishment may have a significant impact on shareholders' equity or the price of securities, the content of the punishment, the main deficiencies and improvements should be listed: None.

(X) Major resolutions of the Shareholders' Meetings and the Board of Directors during the most recent fiscal year up to the date of printing of the annual report:

1. Material Resolutions from the Shareholders Meeting:

Nature of meeting	Date of meeting	Meeting resolutions	Status of implementation
Shareholders Meeting	2024.05.24	Adoption of 2023 Business Report and Financial Statements.	Approved on May 24, 2024
		Appropriation to Offset Annual Losses of 2023.	Approved on May 24, 2024
		The Company plans to conduct a capital reduction to offset accumulated losses.	Approved on May 24, 2024

2. Material Resolutions of the Board of Directors:

Date of meeting	Term	Meeting resolutions	Opinions of all Independent Directors and the Company's handling of opinion of Independent Directors
2024.03.07	5th Meeting from the 17th Board	1. 2023 Business Report and Consolidated Financial Statements. 2. Approved 2023 deficit makeup plan. 3. The company plans to handle the capital reduction case to make up for losses. 4. The overdue payments made by the company to Shanghai Les Enphants and Suzhou Les Enphants are not in the nature of capital loans. 5. Approved endorsements/guarantees for subsidiaries. 6. Approved the 2023 Statement of Internal Control. 7. Approved the Company's 2024 Business Plan. 8. Approved distributions of employee bonus and Directors bonus for 2023. 9. Approved the Company's 2023 performance evaluations for Directors/managers and contents and amounts of individual compensation packages, as well as assessment of correlation to	Approved by all Independent Directors in attendance.

Date of meeting	Term	Meeting resolutions	Opinions of all Independent Directors and the Company's handling of opinion of Independent Directors
		<p>performance evaluation and reasonableness. Evaluation was approved as appropriate.</p> <p>10. Approved the salary adjustment proposal for the company's managers.</p> <p>11. Participate in the employee stock ownership trust withdrawal and deposit award case through the company's managers.</p> <p>12. Approved the amendment to Article 10 and the addition of Article 10 of the Company's Code of Ethical Conduct.</p> <p>13. Approved the amendments to Articles 8 and 11 of the Company's "Rules of Procedure for Board of Directors".</p> <p>14. Adopted the amendment to some articles of the Company's "Organizational Rules of the Audit Committee".</p> <p>15. Approved the convening of the 2024 Annual General Meeting of Shareholders</p>	
2024.05.09	6th Meeting from the 17th Board	<p>1.Q1 (First Quarter) 2024 Consolidated Financial Statements.</p> <p>2.2024 Evaluation of Auditor Compensation and Independence</p> <p>3. Endorsements/guarantees provided by the Company to subsidiaries.</p>	Approved by all Independent Directors in attendance.
2024.08.06	7th Meeting from the 17th Board	<p>1.Q2 (Second Quarter) 2024 Consolidated Financial Statements.</p> <p>2.Endorsements/guarantees provided by the Company to subsidiaries.</p> <p>3.Amendment to the Company's Regulations Governing Related Party Transactions</p>	Approved by all Independent Directors in attendance.
2024.11.07	8th Meeting from the 17th Board	<p>1.Q3 (Third Quarter) 2024 Consolidated Financial Statements.</p> <p>2.2025 Audit Plan.</p>	Approved by all Independent Directors in attendance.

(XI) The major content of dissenting opinions from directors or supervisors with record or written statement on important resolutions passed by the Board of Director during the most recent fiscal year up to the date of printing of the annual report: None.

III. Information Regarding the CPA Professional Fee

Name of CPA Firm	Names of CPA	Audit Period	Remarks
Deloitte & Touche Taiwan	Vivian Yeh	Full year of 2024	None
	Irene Wong	Full year of 2024	None

- (I) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed:

Unit: NTD\$ thousand

Name of CPA Firm	Names of CPA	Audit Fee	Non-audit Fee					CPA audit period	Remarks
			System design	Business registration	Human Resources	Other	Subtotal		
Deloitte & Touche Taiwan	Vivian Yeh	3,750	0	0	0	360	360	Full year of 2024	Other professional fees are as follows: 1.TWD 110 thousand in assisting in the preparation of transfer pricing report 2.TWD 50 thousand in Checking the average salary of non-supervisors
	Irene Wong							Full year of 2024	

- (I) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

IV. Information Regarding the Replacement of CPA:None.

V. Where the Company's Chairman, General Manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

VI. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

- (I) Transfer of equity interests by a director, managerial officer, or a major shareholder

Title	Name	2024		In current year up until April 29, 2025	
		Increase (decrease) number of shares held	Increase (decrease) number of shares pledged	Increase (decrease) number of shares held	Increase (decrease) number of shares pledged
Chairman	Alex Lin	0	0	0	0
Director	Wan An Ya	0	0	0	0
Director	Jonny Tseng	0	0	0	0
Director	George Huang	0	0	0	0
Independent Director	Chen Bei Wei	0	0	0	0
Independent Director	Zheng-Xian Cai	0	0	0	0
Independent Director	Mo Zhao Hong	0	0	0	0
General Manager	Wilson Chan	0	0	0	0
Vice President of Logistic Group	Ricardo S.Davila	0	0	0	0
Vice President of Financial Administration Management Group	Tsai Ming-Chi	0	0	0	0
Vice President of Financial Administration Management Group	Marina Yu	0	0	0	0
Deputy General Manager Corporate Social Responsibility & Integrated Marketing Department	Brenda Lin	0	0	0	0
Assistant Vice President of Brand Business Division	Hsing-Hui Chiu	0	0	0	0
Assistant Manage of Strategic Planning Office	Yao, Han-Zhi	0	0	0	0
Assistant Vice President of Operation Division	Jack Wang	0	0	0	0
Assistant Vice President of Brand Marketing Division	Jacqueline Hsiao	0	0	0	0
Assistant Vice President of nacinac Business Division	Chang Kuang-Hui	0	0	0	0
Assistant Vice President of Information Division	Ming-Yueh Huang	0	0	0	0
Assistant Vice President of Logistics Division	Chang-Yi Wang	0	0	0	0
Assistant Vice President of General Affairs Division	Johnson Wu	0	0	0	0
Human Resources Department Director	Cheng Hsiu Ling	0	0	0	0

Note: There is no shareholder holding greater than a 10 percent stake in the Company.

- (I) Information concerning Transfer of Equity Interest: No transfer to a counter-party who is a relative party
- (II) Information concerning Transfer of Equity Pledge: No transfer to a counter-party who

is a relative party

VII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

2025.4.29

Name	Shares Held by the person		Shares Held by Spouse and Minor Children		Shares Held through Nominees		The names and relations among the Company's 10 largest shareholders who is a related party or a relative within the second degree of kinship of another		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Alex Lin	18,518,858	17.62%	0	0	0	0	Eric Lin Christi Lan	A relative within the second degree of kinship A relative within the second degree of kinship	None
Christi Lan	6,356,702	6.05%	0	0	0	0	Eric Lin Alex Lin	Spouse A relative within the second degree of kinship	None
Eric Lin	6,239,067	5.93%	0	0	0	0	Christi Lan Alex Lin Bo Tai Ru Investment Co., Ltd.	Spouse A relative within the second degree of kinship Chairman of the company	None
Jonny Tseng	4,690,989	4.46%	0	0	0	0	Tseng-Lee, Yu-Lien	A relative within the second degree of kinship	None
Bo Tai Ru Investment Co., Ltd.	2,212,752	2.10%	0	0	0	0	Eric Lin	Chairman of the company	None
Tseng-Lee, Yu-Lien	2,186,437	2.08%	0	0	0	0	Jonny Tseng	A relative within the second degree of kinship	None
An Qing Chuang Sin Investment Co., Ltd.	1,118,340	1.06%	0	0	0	0	None	None	None
Dong Teng Chuang Sin Investment Co., Ltd.	813,9520	0.77%	0	0	0	0	None	None	None
Athena Capital Investment Co., Ltd.	624,780	0.59%	0	0	0	0	None	None	None
Yi-Chun, Yang	530,000	0.50%	0	0	0	0	None	None	None

VIII. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

2024.12.31; Unit: Share; %

Investee company	The Company's investment		Investment made by a director, supervisor, managerial officer or a directly or indirectly controlled enterprise		Comprehensive Investment	
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio
les enphants (Thailand) Co. Ltd.	166,600	49.00	0	0	166,600	49.00
les enphants Thailand Marketing Co., Ltd.	98,000	49.00	0	0	98,000	49.00
Genius Toy Taiwan Co., Ltd.	625,000	20.00	0	0	625,000	20.00

Note: An investee company is the investment made by the Company under equity method.

Three. Capital Overview

I. Capital and Shares

(I) Capitalization

2025.04.29; Unit: NT\$/Share; %

Year/Month	Issue Price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Capitalization	Number of Shares	Amount
1994.07	10	48,000,000	480,000,000	47,932,500	479,325,000	Capitalization of Retained Earnings	None	Note 1
1995.07	10	60,000,000	600,000,000	52,725,750	527,257,500	Capitalization of Retained Earnings	None	Note 2
1996.05	10	60,000,000	600,000,000	55,362,037	553,620,370	Capitalization of Retained Earnings	None	Note 3
1997.08	10	150,000,000	1,500,000,000	78,130,138	781,301,380	Cash Capital Increase and Capitalization of Retained Earnings	None	Note 4
1998.07	10	150,000,000	1,500,000,000	93,756,164	937,561,640	Capitalization of Retained Earnings and Capitalization of Capital Reserves	None	Note 5
1999.07	10	150,000,000	1,500,000,000	98,443,972	984,439,720	Capitalization of Capital Reserves	None	Note 6
2000.08	10	150,000,000	1,500,000,000	103,366,170	1,033,661,700	Capitalization of Capital Reserves	None	Note 7
2001.08	10	150,000,000	1,500,000,000	108,534,478	1,085,344,780	Capitalization of Capital Reserves	None	Note 8
2002.09	10	150,000,000	1,500,000,000	113,961,201	1,139,612,010	Capitalization of Capital Reserves	None	Note 9
2005.09	10	150,000,000	1,500,000,000	118,519,649	1,185,196,490	Capitalization of Retained Earnings and Capitalization of Capital Reserves	None	Note 10
2006.02	10	150,000,000	1,500,000,000	145,179,649	1,451,796,490	Cash Capital Increase	None	Note 11
2006.08	10	200,000,000	2,000,000,000	149,535,038	1,495,350,380	Capitalization of Retained Earnings	None	Note 12
2008.09	10	200,000,000	2,000,000,000	158,507,140	1,585,071,400	Capitalization of Retained Earnings	None	Note 13
2009.08	10	200,000,000	2,000,000,000	169,602,639	1,696,026,390	Capitalization of Retained Earnings	None	Note 14
2010.09	10	300,000,000	3,000,000,000	181,474,823	1,814,748,230	Capitalization of Retained Earnings	None	Note 15
2011.03	10	300,000,000	3,000,000,000	195,354,823	1,953,548,230	Cash Capital Increase	None	Note 16
2011.09	10	300,000,000	3,000,000,000	203,169,015	2,031,690,150	Capitalization of Retained Earnings	None	Note 17
2012.08	10	300,000,000	3,000,000,000	211,295,775	2,112,957,750	Capitalization of Retained Earnings	None	Note 18
2015.12	10	300,000,000	3,000,000,000	205,377,775	2,053,777,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 19
2016.03	10	300,000,000	3,000,000,000	204,324,775	2,043,247,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 20
2018.07	10	300,000,000	3,000,000,000	198,324,775	1,983,247,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 21
2019.04	10	300,000,000	3,000,000,000	196,324,775	1,963,247,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 22
2020.02	10	300,000,000	3,000,000,000	193,271,775	1,932,717,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 23
2020.02	10	300,000,000	3,000,000,000	188,941,775	1,889,417,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 24
2020.04	10	300,000,000	3,000,000,000	184,677,775	1,884,677,750	Capital Reduction by Cancellation of Treasury Stocks	None	Note 25
2022.04	10	300,000,000	3,000,000,000	194,677,775	1,946,777,750	Cash Capital Increase	None	Note 26

2023.12	10	300,000,000	3,000,000,000	140,167,998	1,401,679,980	Capital reduction to make up for losses	None	Note 27
2024.06	10	300,000,000	3,000,000,000	105,125,999	1,051,259,990	Capital reduction to make up for losses	None	Note 28

- Note 1: Capitalization of retained earnings for 4,357,500 shares in 1994. Approval document No.: Tai-Tsai-Cheng (1994) Letter No.32299.
- Note 2: Capitalization of retained earnings for 4,793,250 shares in 1995. Approval document No.: Tai-Tsai-Cheng (1995) Letter No. 32747.
- Note 3: Capitalization of retained earnings for 2,636,287 shares in 1996. Approval document No.: Tai-Tsai-Cheng (1996) Letter No. 32648.
- Note 4: Capital increase for 2,636,287 shares and capitalization of retained earnings for 2,768,101 shares in 1997. Approval document No.:Tai-Tsai-Cheng (1997) Letter No. 36362.
- Note 5: Capitalization of retained earnings for 7,813,013 shares and capitalization of capital reserves for 7,813,013 shares in 1998. Approval document No.: Tai-Tsai-Cheng (1998) Letter No. 50803.
- Note 6: Capitalization of capital reserves for 4,687,808 shares in 1999. Approval document No.: Tai-Tsai-Cheng (1999) Letter No. 84867.
- Note 7: Capitalization of capital reserves for 4,922,198 shares in 2000. Approval document No.: Tai-Tsai-Cheng (2000) Letter No. 50309.
- Note 8: Capitalization of capital reserves for 5,168,308 shares in 2001. Approval document No.: Tai-Tsai-Cheng (2001) Letter No. 139436.
- Note 9: Capitalization of capital reserves for 5,426,723 shares in 2002. Approval document No.: Tai-Tsai-Cheng (2002) Letter No. 132641.
- Note 10: Capitalization of retained earnings for 2,279,224 shares and capitalization of capital reserves for 2,279,224 shares in 2004. Approval document No.: Jin-Guan-Cheng-Yi Letter No. 0940125390.
- Note 11: Capital increase for 26,660,000 shares in 2005. Approval document No.: Jin-Guan-Cheng-Yi Letter No.0940153894.
- Note 12: Capitalization of retained earnings for 4,355,389 shares in 2006. Approval document No.: Jin-Guan-Cheng-Yi Letter No. 0950127282.
- Note 13: Capitalization of retained earnings for 8,972,102 shares in 2007. Approval document No.: Jin-Guan-Cheng-Yi Letter No. 0970032926.
- Note 14: Capitalization of retained earnings for 11,095,499 shares in 2008. Approval document No.: Jin-Guan-Cheng-Fa-Zi Letter No. 0980033577.
- Note 15: Capitalization of retained earnings for 11,872,184 shares in 2009. Approval document No.: Jin-Guan-Cheng-Fa-Zi Letter No. 0990035142.
- Note 16: Capital increase for 13,880,000 shares in 2010. Approval document No.: Jin-Guan-Cheng-Fa-Zi Letter No.0990072009.
- Note 17: Capitalization of retained earnings for 7,814,192 shares in 2011. Approval document No.: Jin-Guan-Cheng-Fa-Zi Letter No. 1000032156.
- Note 18: Capitalization of retained earnings for 8,126,760 shares in 2012. Approval document No.: Jin-Guan-Cheng-Fa-Zi Letter No. 1010030696.
- Note 19: Capital reduction by cancellation of treasury stocks for 5,918,000 shares in 2015. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1040035824.
- Note 20: Capital reduction by cancellation of treasury stocks for 1,053,000 shares in 2016. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1040049356.
- Note 21: Capital reduction by cancellation of treasury stocks for 6,000,000 shares in 2018. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1070320174.
- Note 22: Capital reduction by cancellation of treasury stocks for 2,000,000 shares in 2019. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1080300719
- Note 23: Capital reduction by cancellation of treasury stocks for3,053,000 shares in 2019. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1080335746
- Note 24: Capital reduction by cancellation of treasury stocks for4,330,000 shares in 2020. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1090300709
- Note 25: Capital reduction by cancellation of treasury stocks for4,264,000 shares in 2021. Approval document No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1090339316
- Note 26: Capital increase for 10,000,000 shares by private placement in 2023. Approval document No.: Jing-shang-zi Letter No. 11230069290
- Note 27: Capital decrease for 54,509,777 shares by make up for losses in 2023. Approval document No.: Taiwan Certificate No. 1120023155
- Note 28: Capital decrease for 35,041,999 shares by make up for losses in 2024. Approval document No.: Taiwan Certificate No. 1130010741

2025.4.29; Unit: Share; %

Types of Shares	Authorized Share Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common Shares	105,125,999	194,874,001	300,000,000	Stocks pf TWSE Listed Companies

(II) List of Major Shareholders: List the shareholders with a shareholding ratio of more than 5%. If there are less than ten shareholders, the name, shareholding amount and proportion of the top ten shareholders shall be disclosed

Name of Major Shareholders	Shares Held	Shareholding Ratio
Alex Lin	18,518,858	17.62%
Christi Lan	6,356,702	6.05%
Eric Lin	6,239,067	5.93%
Jonny Tseng	4,690,989	4.46%
Bo Tai Ru Investment Co., Ltd.	2,212,752	2.10%
Tseng-Lee Yu-Lien	2,186,437	2.08%
An Qing Chuang Sin Investment Co., Ltd.	1,118,340	1.06%
Dong Teng Chuang Sin Investment Co., Ltd.	813,952	0.77%
Athena Capital Investment Co., Ltd	624,780	0.59%
Yi-Chun, Yang	530,000	0.50%

(III) Company's dividend policy and implementation

1. Company's dividend policy

Articles of Incorporation provide that the principle of dividend distribution ratio is cash-stock balance policy. However, stock dividends may be distributed when there is no earnings for distribution in that year. Dividend distribution may be adjusted based on the operation scale and fund demand for cash flow in the future, and the cash dividend shall be not lower than 10% of the total number cash dividend and stock dividend combined in the year.

2. Dividend distribution proposed in the Shareholders' Meeting: On March 6, 2025, the Board of Directors has not to distribute dividends this year. The motion will be processed in accordance with relevant laws upon resolution from the Shareholders' Meeting on June 27, 2025.

3. Explanation for an expected material change in dividend policy: None.

(IV) The impact of stock dividend distribution proposed in the Shareholders' Meeting on the operating performance and earnings per share: Stock dividend distribution was not proposed in the Shareholders' Meeting.

(V) Remuneration to employees, directors and supervisors

1. The remuneration percentage or scope to employees, directors and supervisors provided in Articles of Incorporation

Articles of Incorporation provide that earnings, if any, after closing account every year shall be distributed and allocated as follows:

If the Company has profits in the year (which refers to the pre-tax profits before deducting remuneration to employees, directors and supervisors), it shall distribute 5% to 7% of the profits as employee remuneration and no more than 2% of the profits as the remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered.

Employee remuneration prescribed in preceding paragraph may be distributed in stocks or cash, and employees include all employees of affiliates who meet the terms stipulated by the Board of Directors.

Remuneration distribution to employees, directors and supervisors shall be resolved by the Board of Directors and reported to Shareholders' Meeting.

2. The basis for estimating the amount of remuneration to employees, directors and supervisors, for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, the Company proposes not to distribute dividends for 2024 ending balance of deficit yet to be compensated NT\$676,294 thousand.

After the fiscal year has ended, when material change occurs to the amount of appropriation resolved by the Board of Directors before the announcement of the Financial Report, the adjustment will be recorded as the year's expense. If changes to the amount still occurs after the Financial Statements have been announced, the change will be recorded as changes in accounting estimates and adjusted into the following year's accounts. No differences between the actual payout of the employees' compensations and directors' compensations and the recognized figures in the 2024 Financial Statements were found.

3. Information of proposals of remuneration distribution to employees and etc. passed by the Board of Directors
 - (1) On March 6, 2025, the Company's Board of Directors has resolution that not to distribute remuneration to employees, directors and supervisors.
 - (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. Actual Distribution of Employee Bonus and Remuneration to Directors for the Previous Year

Since there was no surplus in 2023 the 2024 Board of Directors and shareholders' meeting have resolved that no dividends or remuneration to employees and directors will be distributed.

(VI) Repurchasing shares of the Company during the most recent fiscal year or up to the date of printing of the annual report:

No. of Buyback	The twelveth time
Objective of share buyback	2020.02.10
Objective of Share Buyback	Maintenance of the Company's credit and shareholders' equity
Buyback Period	2020.02.11~2020.04.09
Price range of shares to be bought back	NT\$6.00 to 11.00
Stock Type and Quantities Bought Back	4,264,000 shares of common stock
Amount of Shares Repurchased	NT\$27,936,700
The ratio of the quantity bought back to the quantity bought back (%)	85.28%
Average Buyback Price	NT\$6.55
Completed cancellation of change registration date	2020.05.20
Retired and Transferred Shares	4,264,000 shares of common stock
Cumulative Number of Treasury Stock	0 shares
Ratio of cumulative number of treasury stock to the total issued shares (%)	0%

Note :Capital reduction by cancellation of treasury stocks for 4,264,000 shares in 2020. Approval document

No.: Jin-Guan-Cheng-Jiao-Zi Letter No. 1090339316

II. Corporate Bonds

(I) Corporate Bonds: None.

(II) Convertible Bonds:

Type of corporate bonds	Private Placement of Domestic Unsecured Convertible Bonds
Issue (transaction) date	2023/12/06
Face value	NTD 100,000
Place of issue and trading	-
Issue price	Issued at par value
Issue amount	NTD 150,000,000
Coupon rate	Annual Coupon Rate 5%
Term	Maturity: 5 years Maturity date: December 6, 2028
Guarantor	None
Trustee	None
Underwriter	None
Attesting lawyer	None
Attesting CPA	None
Redemption method	The principal shall be repaid in a lump sum upon maturity five years from the issue date.
Conditions for redemption or early redemption	Please refer to Article 16 of the terms and conditions of our bond issuance and conversion procedures.
Restrictive covenants	Please refer to Article 18 of the terms and conditions of our bond issuance and conversion procedures.
Name of rating agency, date and result of rating	None
The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	None
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	None

Convertible Corporate Bonds

Type of Corporate Bond	First Domestic Unsecured Convertible Bonds			
	2023/12/06	2023/12/27	2024/06/30	2025/01/01~ 2025/03/31
Convertible Bond Market Price	-	-	-	-
Conversion Price	NTD 8	NTD 11.11	NTD 14.81	NTD 14.81
Issue Date	2023/12/06			
Conversion Price at Issuance	NTD 8			
Method for performance of conversion obligations	Issuance of new shares			

(III) Exchangeable Bond: None.

(IV) Shelf Registration: None.

(V) Bond with Warrants: None.

III. Preferred Stocks: None.

IV. Global Depository Receipts: None.

V. Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

VIII. Implementation of Capital Allocation Plans: None.

Four. Operational Highlights

I. Business Activities

(I) Business Scope

1. Business Items

- (1) C306010Apparel Industry.
- (2) F104110Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
- (3) F204110Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
- (4) CN01010Furniture and Fixtures Manufacturing.
- (5) CK01010Footwear Manufacturing.
- (6) C307010Apparel, Clothing Accessories and Other Textile Product Manufacturing.
- (7) F105050Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.
- (8) F205040Retail sale of Furniture, Bedclothes Kitchen Equipment and Fixtures.
- (9) CH01040Toys Manufacturing.
- (10) F109070Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
- (11) F209060Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
- (12) F102170Wholesale of Food and Grocery.
- (13) F203010Retail sale of Food and Grocery.
- (14) F401010International Trade.
- (15) F114030Wholesale of Motor Vehicle Parts and Supplies.
- (16) F214030Retail sale of Motor Vehicle Parts and Supplies.
- (17) F399040Retail Business without Shop.
- (18) ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- (19) F108031Wholesale of Drugs, Medical Goods.
- (20) F208031Retail sale of Medical Equipment.
- (21) F108040Wholesale of Cosmetics.
- (22) F208040Retail Sale of Cosmetics.
- (23) F107030Wholesale of Cleaning Preparations.
- (24) F207030Retail Sale of Cleaning Preparations.
- (25) F106020 Wholesale of Articles for Daily Use.
- (26) F206020Retail Sale of Articles for Daily Use.
- (27) I103060 Management Consulting Services.
- (28) I199990 Other Consultancy

2. Weight of Business

2024.12.31

Name of Products	Revenue (thousand TWD)	Accounting the percentage of total revenues
Baby Apparel Supplies	2,748,098	97.93
Rental Business	57,947	2.07
Total	2,806,045	100.00

3. Current product (service) items of the Company

Self-owned



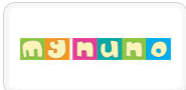
The brand series "simple by les enphants" is founded on simple and clean-cut designs with the mission of being environmentally friendly. A line of simple daily wear for families has been created by pairings of cotton and linen, Tencel, and plant-based fibers.



lesenphants apparel is classic, timeless, and elegant. We emphasize functional and high-quality tailoring and design.



This is a baby-care product brand. nacnac only uses natural ingredients in its products because of its commitment to environmental protection. The principles of the brand is "Natural & Comfortable, Nice & Caring". Products include baby supplies for cleaning and skin care, nursing, bedding, and home care supplies.



For the protection of children's feet, our children shoes brand, my nuno, has a strong Spanish style and provides comfortable children's shoes. My nuno helps children make steady steps and grow up healthy.



Inheriting ingenuity: Using the traditional cultural code from ethnic minorities on fabrics as a creative basis, the brand attempts to start a dialogue of time and space. Elements such as traditional images with elegance and well wishes are combined with new materials and designs to create fine children's clothing that is minimal yet chic.

License Brands



Agency Brands



4. Development Projects for New Products (Services)

- (1) The Company offers great quality as well as attentive services. Babies go through many stages of development with endless possibilities, which are precious as well as unique. Helping the children "be themselves" is experiencing and living their daily life together with them.

Five Persistence

Natural non-toxic materials and comfortable scissors to insist on doing the best and to give the baby a comfortable and safe all-round care.

“Comfort”

The natural material is selected and developed with a soft touch, and the ergonomic design allows the baby to wear and take off easily and comfortably.

"Safety”

All our products use natural materials and non-toxic dyes to comply with the CNS regulations and to pass the national testing standards.

"Function”

The functional materials are specially developed for antibacterial and anti-mite, moisture absorption and dryness, etc. to fully care for the various needs of the baby's growth stage.

"Quality”

Through production materials, meticulous lathes to customer-oriented after-sales service, we insist on giving you and your baby only the best.

“Tailoring”

Our thoughtful design includes seamless three-dimensional cutting and professional pattern making, which achieves sophistication and beauty while reducing friction on the skin.

Strictly Controlled and Trustworthy Quality

Our manufacturing process conforms to a number of international standards, and we are careful and attentive to do our best so that you can feel more at ease. Through the testing of 4-5 high-standard fabric color fastness, the beautiful colors will not fade after washing and not be stained with each other to ensure that no pigment will fall off and affect the baby's health which complies with the government's CNS15290 and CNS15291 textile safety regulations to protect the health and safety of babies.

Enterprise core value and sustainable environmental protection

Our Apparel Commodity Division implements the vice president's CSR concept, and it aims to increase the proportion of environmental protection materials used in the design source year by year. Moreover, we use the highest proportion of American cotton as raw materials and officially join the international third-party certified environmental protection organization to continue to use carefully selected high-quality raw materials. The planting process does not use pesticides and chemical fertilizers to reduce damage to the environment, and it meets the needs of environmental protection and being comfortable and soft. The use of American cotton certified fiber can not only protect the environment and the natural ecology, but also

accompany the baby to grow up safely with comfortable, light and breathable material. As the top brand of children's clothing, les enphants supports enterprise's core value of sustainable environmental protection and it maintains every principle: adhere to human rights, public health, industrial safety and environmental protection... etc., which are also consistent with les enphants' CSR corporate social responsibility concept.

I. "YUAN" series: The classic design based on cultural inheritance, adhering to this warm original intention, using unique ingenuity and fabric art, inspired by the textured totem on the collection of Ms. Christi Lan Lin. The new meaning integrates the implication of blessings and expectations for children implied in the pattern into it.

The theme is the story of the blessing of beasts, which originated from the ancient legend "Given birth by dragon, fed by tiger, built shed by eagle". The cloth patterns include dragons, tigers, phoenixes, birds, butterflies and the five poisons, and are matched with rich peonies, conveying infinite blessings to children and wishing them to grow up safely and healthily. The black base color and bright colors and detailed lines form a unique low-key luxury style, which is different from the traditional design style. The five poisons are one of the ancient spells, including centipedes, lizards, scorpions, snakes and frogs. Through modern childlike techniques, the designers skillfully integrated the five poisons into the details, making them have the function of exorcising and avoiding evil spirits.

The girl's calico is inspired by the color of the peacock, which is regarded as the prototype of the phoenix and the king of birds, symbolizing auspiciousness, beauty, luxury and kindness. The peacock's feathers can bring wealth and health, and the peacock's tail is a symbol of "auspiciousness and peace". Designers express the peacock's feathers through radial and line patterns, presenting the grand occasion of the peacock spreading its tail, and at the same time bringing blessings to the children.

The style design not only uses the most representative embroidery details of YUAN, but also uses some unique fabrics and patterns to express, so that traditional patterns can also be varied in style and present different possibilities. Through these meaningful patterns, the blessing is completely conveyed on the clothing, which is "the blessing worn on the body".

II. Design Theme

「"Just be Elephants" series」: It features four baby elephants with distinct personalities as the protagonists

"Elegant Elephant" continues the style of the little gentleman, using elements such as classic elephant checks, small elephant patterns, vehicles, stars, and dinosaurs. Inspired by our own garden, which symbolizes the coming of spring, the colorful colors of blooming flowers present an elegant atmosphere, allowing children to feel the elegant temperament of classic colors while exploring many surprises and beauties. "Free Elephant", which explores nature, encourages children to do it by themselves and cultivate a self-sufficient and independent personality. The style is easy to wear and the function is convenient. It is the most suitable choice for outdoor adventures, creating an atmosphere of exploring in the jungle. The "Creative Elephant" series takes the underwater world as the theme, allowing children to

understand the marine ecology and cultivate environmental awareness from an early age. Due to the rise of environmental protection issues, the ocean has become a natural domain that must be protected. This series of designs presents underwater creatures in fresh colors, injecting a refreshing vitality into the hot summer. Let children learn how to protect the ocean in a pleasant game, and start to pay attention to global environmental issues.

「 Spring and Summer New Theme "Mountain Series" 」

A new way of life allows children to stay away from the hustle and bustle of the crowded city and enjoy the fun of travel and relaxation. The design concept focuses on comfort and environmental protection, and uses organic cotton and other environmentally friendly materials to show the care for the mountain and forest environment. Use natural and comfortable neutral earth tones, cooperate with functional materials, and add functional pockets that can store items. Coats and pants are more water-repellent, and socks have moisture-wicking properties. The whole series of designs are designed to provide children with the best outdoor wearing needs and provide more comfort and convenience after the pandemic.

「 Simple by lesenphants "Attractive Conservation Animal Series" 」

In the Spring/Summer 2022 Simple eye-catching series, we launched the "Taiwan Conservation Animals" parent-child T-shirt, hoping to pay attention to natural ecology and animal conservation together with consumers. The theme is Taiwan's protected animals, including Taiwan blue magpie, cherry hooked salmon, stone tiger, black-faced spoonbill, great purple nymph, Taiwan sambar, etc., using childlike graffiti brushstrokes and fresh and natural techniques. The neutral style and simple design allow the whole family to mix and match freely to create a parent-child style. The fabric uses "high-elastic silk cotton" extracted by biotechnology through the fermentation of corn plant sugar. The fabric is derived from corn plant starch and glucose, which reduces the consumption of petroleum resources and saves energy and greenhouse gas emissions. It is a healthy and environmentally friendly fabric. The innovative fabric is an environmentally friendly fiber. We hope that through such products, more people can pay attention to Taiwan's conservation animals and contribute to environmental protection.

III. Continue to use eco-friendly and innovative materials

lesenphants takes "giving children a green earth" as the starting point, and it is committed to the concept of "reduce" of energy saving and carbon reduction, "reuse", and "recycle." We deliberately select environmentally friendly materials to implant the green concept into daily work and life from the beginning of product design. The protection and expectation of a better future environment is the concept of sustainable management in the corporate social responsibility CSR of lesenphants.

We advocate the "new life clothing concept in the era of unblocking", and regard home clothes as one of the important commodities. Specially developed fabrics extracted from natural camellia essential oil, which are safe, moisturizing, and can moisturize the skin, absorb ultraviolet rays, and have anti-oxidation functions. When designing parent-child home clothes, many environmentally friendly fibers and fabrics with strong functions are used, and the goal of increasing the proportion of environmentally friendly materials used is set year by year.

We have launched many new products, such as Warm Ginger Clothes WARM HERB (using warm ginger fiber), which is derived from the ginger plant in nature and has natural, healthy and comfortable characteristics. Active ingredients are extracted from fresh ginger, concentrated and dried to make ginger extract, ground into nano-scale powder and added to spinning solution to make warm ginger fiber. In addition, the series of inner products such as hot fashion milk clothes and soft warm clothes that have been loved by consumers all the year round are still continuously developed and upgraded.

In short, Les Enphants is constantly exploring sustainable development models, and we are committed to promoting green lifestyles and creating a better environment for children.

(II) Industry Summary

1. Current Status and Development of the Industry

The global children's apparel market is still experiencing a stage of rapid growth. According to the "Childrenswear Market – Growth, Trends, and Forecasts (2020-2025)" published by the world-renowned research institute, Mordor Intelligence, the compound growth of the global children's apparel market between 2020 and 2025 will reach an estimated 8.76%. The growth of the Asia-Pacific region, especially in developing countries such as China and India, will be even more significant. The Chinese industry research authority Zhiyan Consulting Group also predicted in its "2018-2013 China's Children's Wear Market Analysis, Forecast and Development Trend Research Report," that by 2023, the overall size of the Chinese children's wear market will reach RMB 282 billion with the compound growth rate exceeding 10%.

However, the children's wear market still faces challenges associated with the declining birth rate. Rather than increasing, there has been a decline to China's birth rate since the "universal two-child policy" was launched in 2016. The number of births in 2022 will drop to 9.56 million, a decrease of 10% from 10.61 million in 2021, and the population will experience negative growth for the first time. Taiwan also continues to decline. The number of births in 2022 will be 139,000, a decrease of 9.6% from 154,000 in 2021. The total population has experienced negative growth for many years, and the challenge is even more severe.

There are many external factors for the declining birth rate, such as COVID-19 pandemic, high housing prices, increasing parenting costs, the promotion of women's education and career, etc., all of which have changed the young generation's concept of passing on the family name. On the other hand, the declining birth rate has made parents more willing to invest more resources in children. Significant growth can be seen from all aspects such as toys and entertainment for leisure, necessities such as food, clothing, footwear, to education, medical care, etc. As a result, the parenting and children's wear industries still enjoy relatively fast-growing markets.

2. The connection of the upper stream, middle stream and lower stream of the industry

The main target of baby and children supplies industry is 0-12-year-old children, which

generates the demand in baby food, supplies, apparels, education, entertainment and medication. Our products include baby, children and mother outfits, clothes, supplies, bedding, and shoes.

The suppliers for raw materials in the upper stream and manufacturers in the middle stream are in different industries. For example, fiber textile is for children's apparel or cotton manufacturers, spunlace is for wet tissues, plastic or silicon is for milk bottle manufacturers, and woods are for cribs. The Company plays a key role in the middle and lower stream of the industry. Apart from owning a comprehensive retail supply chain, les enphants also has a professional operating team to be responsible for the management of product design, development, production, logistics, warehousing, marketing, and channel operation. In addition, for channel perspective, we have direct shops, franchises, stores in department stores, wholesale and online channel.

3. Development trend and competition for products

A. Move towards the direction of developing natural, environmentally-friendly and safe materials.

Recently, black-hearted goods have been discovered often whether in Taiwan or China, and more and more customers care about the material of products and raw materials used. Laws and regulations all over the world have become stricter. For example, the European Union prohibits the sale of plastic milk bottles containing bisphenol A. For cotton used for apparel, the safety content requirement for dyeing agents, fluorescent brightener, formaldehyde, and etc. has also become stricter. We anticipate that the baby supplies will develop towards natural, environmentally-friendly, and safe materials in the future.

B. Product design develops towards the direction of function and comfort

Products designed and produced by the Company aim at providing babies with the most comfortable and safest products. Especially for the underwear garments for new born infants, the comfort and safety of infants are our first priority. We also develop diverse functional underwear (toxic-free/safe/natural/environmentally-friendly/anti-mite and bacteria/mold proof and deodorant/moisture absorption and breezy/thermal storage) for infants, babies, and children of different growing stages.

C. Diversified Business Model Expansion

The emergence of new retail has changed the business models of the retail industry, breaking the consumer boundaries between online and offline channels, and currently, the collective challenge for all retailers is to provide consumers with all-channel service experiences. As the younger generation gradually becomes the major consumer targets in the market, technological advancements have intensified the enhancement of consumer activities. Besides price and value of products, consumers are more focused on the content of the products and the consumer experience as well as the added-value from the brands. Management and optimization of the brand's value has become the current trends for the retail industry.

D. Competition

China is a major apparel manufacturing country. As exports to European and American markets decreased and local consumption increased, many local companies in China

entered the market with their own brands. International brands, on the other hand, also actively expanded business in China because of market potential, free trade and e-commerce. Baby supplies industry on both sides of the Strait will face a more intense competition.

III. Technology and R&D overview

Going from the brand philosophy of being "Committed to Children" to "just be," we are driven to provide the most comfortable and safest products in material selection and processing when it comes to product research and development. Besides demanding for high quality, in terms of product design, we have integrated and enhanced upstream, midstream to downstream production chain and added innovative design factors in each season so that children can be comfortable and stylish at the same time. In addition, we also integrate the philosophy of going green right from the beginning of design process to every step of product life cycle.

Incorporating loving care in product development to offer children better care. In the selection of materials as well as workmanship, the Company starts from what is the most comfortable and safest for children. To achieve this goal, the Company has integrated and upgraded the upstream, midstream and downstream production chain to develop various functional commodities. The characteristics include non-toxic, safe, natural, environmentally friendly, antibacterial, mosquito repellent, moisturizing, moisture wicking, heat storage, cooling, anti-UV, etc., as well as comfortable to wear, easy to take care of and clean. Every step from raw materials to packaging complies with government regulations, in the hopes of becoming a green enterprise with sustainable development. Zero-pollution pure natural American cotton fibers are adopted as raw material. The combed cotton yarn is sorted by the spinning process, and the fine yarn is strong with good tensile strength, creating fabrics that is comfortable to touch with good breathability. The fabrics made of two-ply yarns has an even twist. Therefore, the clothes will not be twisted after washing. Mercerization also gives the fabrics shine and beauty as well as preventing shrinkage. Non-toxic dyes have been chosen in the dyeing and finishing process, which reduces the chance of colors fading or migrating.

In terms of materials use in innerwear products, the Company focuses on functional needs such as soft, comfortable, environmentally safe, cut and design, insulation and so on. For autumn and winter clothing, the Company pays meticulous attention to the consumers' garment care needs by adding an anti-piling treatment as well as heat insulation feature. By using heat-tech fabrics, clothes can preserve heat better in the cold weather. The materials for spring and summer focuses on features such as lightweight, cool, comfortable, and environmentally friendly. New materials developed for 2019 include milk, wrapped cotton, comfortable cotton and soft warm clothing, elastic cotton fiber and stacked cotton yarn. In addition, the designs focus on safety and comfort. Details such as collar fit, pattern design, selection of accessory materials (hypoallergenic plastic buttons, elastic bands, strap length specifications), etc. all reassure parents that they have chosen quality innerwear.

(1) Sleep Well Belly

The design department develops new products. We believe that every parent has had this experience: the baby often turns over during sleep, causing the clothes or quilt to be overturned,

exposing the belly and catching cold easily. In order to allow both babies and mothers to have a good sleep quality, we have developed a new product called " Sleep Well Belly ". Its function is to protect the baby's tummy from cold air intrusion, so you don't have to worry about the baby catching cold from kicking the quilt at night. Velcro felt for most belly bands tends to be stiff and thorny, and even makes a noisy sound. However, " Sleep Well Belly " is an upgraded version of the belly girdle, which uses the patented Velcro felt material, which is delicate and soft, non-stinging and silent. The safety of the belly material is strictly controlled, it is skin-friendly and warm, can absorb sweat, and does not contain harmful substances. Made of pure cotton material without additives, moderate thickness and good air permeability, the size can be stretched and adjusted, when the baby is sleeping, it can wrap the body comfortably, not easy to fall off, and increase the warmth effect at the same time, suitable for use in all seasons, high-quality functional design gain consumer approval.

(2) Les Enphants' "onesies for premature babies"

les enphants' "onesies for premature babies" carry the well wishes for premature babies 49 years ago, the founders of les enphants launched the brand to meet the needs of all parents while taking care of their children. Brenda Lin, the Vice President of Branding and the CSR Division, as well as the daughter of founder Eric Lin, stated, "The Company continues to devote to public welfare. In addition to volunteering to read with children in rural areas, it also encourages all employees to put forward ideas for improving the society. I am a mother of three children, so I understand very well that all parents want their children to grow up healthy. As long as these ideas can help parents and children, there is a chance that they will be realized. The Just be Strong onesie for premature babies was one of these initiatives."

Taiwanese baby clothing brands do not currently offer special sizing for premature babies. Due to their special physiological conditions, there are also special requirements in terms of production. The Company's design team paid a visit to the Premature Baby Foundation of Taiwan in order to produce safe and comfortable onesies that meet the functional needs for premature babies. Chia-Jung Lin, the Assistant Vice President of Apparel Commodities Division, commented, "This onesie for premature babies is made in Taiwan with non-fluorescent cotton as the fabric for lining. The long-sleeved design opens in the front for easy dressing. The soft and comfortable texture makes gentle protection for the baby a priority."

After the onesies for premature babies are made, they were donated to hospitals that offer comprehensive medical care for premature babies on November 17th, or the World Prematurity Day. This collaboration is achieved in the hopes of benefiting more premature babies and to generate more public awareness to this issue. les enphants wishes to nurture every Tiny Fighter and for them to grow up healthy.

(3) "Maternal and infant industry ecosystem data sharing and darling business opportunity co-creation plan" system

In a supply and demand environment with diverse information, fast transparency, and the use of data analysis is a trend that wins at the starting point. When we take a further look at the current situation of the retail industry chain of maternal and baby products, we must rely on a stable supply chain as the back-end foundation. Through The immersive data sharing and feedback mechanism can make the front end have the competitive strength of advanced deployment.

Based on this original intention and the implementation of the concept, starting from March 2022, the Information Office has invested in the Ministry of Economic Affairs' "Maternal and

Infant Industry Ecosystem Data Sharing and Darling Business Opportunity Co-creation Plan"; the main axis structure of the plan takes Les Enphants as the leading role, and gathers the industrial ecology be a value chain partner, propose cloud solutions, integrate internal and external business data, and drive cooperative members to connect business opportunities through data sharing and feedback! After 8 months of program development, connection, and testing, the case was successfully closed in November. The process has undergone strict review and evaluation. It is an honor to receive government support and evaluation as an "advanced pilot innovation project" and receive project funding.

The goal of the project is to take stock of the needs of all aspects of the industry value chain, take Les Enphants as the central axis, connect the upstream, midstream and downstream manufacturers of the value chain of the industrial ecosystem, and develop a cloud platform for sharing retail data of maternal and child products, so as to integrate retail data and collect data Share apps.

It will be the future trend to use smart technology to transform the development of new retail and drive the optimization and upgrading of the industrial ecosystem in terms of new product development, stocking scheduling, and precise purchase promotion. Mastering the data assists the decision-making of the development and supply of upstream maternal and child products in the industry, so that upstream product development and suppliers can provide products that meet market demand from a customer-oriented perspective, and then develop star products. Through information and communication technology, both upstream and downstream of the maternal and child retail industry chain can benefit; improving customer experience allows consumers to obtain appropriate information at different stages. practice!

Another well-known brand of ours, "nac nac", is a brand of mother and baby products, covering a variety of product lines such as mother products, feeding appliances, baby care, clothing cleaning, bedding textiles, etc. The brand's product development strategy for the past 30 years has adhered to the core of green environmental protection and the goal of protecting and caring. We hope that every baby can have the best growth process and the most straight and complete feeling brought by being cared for. Over the years, we have worked hard to listen to the voices of users' needs, constantly improve and improve, and look forward to bringing consumers numerous high-quality products, which are widely supported by mothers and praised by word of mouth; "baby bottle sterilizer" has been recommended by the "Mom & Baby Favorite Brand Award" hosted by Mombaby Magazine for consecutive years. Its stylish appearance and original functional design have won the affirmation of MIT Gold Selection. Many products also recommended by the "Favorite Brand Award" include "baby body soap", "baby body lotion", "baby sunscreen lotion", "baby clothes laundry detergent", "baby bottle vegetable and fruit dishwashing liquid", "baby feeding bottle", "ear thermometer", "baby wipes", "baby carrier"...etc. These have become the best solution for all-round maternity and baby products that mothers must have at hand! This year we actively invested more in the development of breastfeeding appliances. The newly launched high-efficiency ultraviolet disinfection dryer has a built-in plastic protection function to prevent plastic aging caused by excessive ultraviolet radiation. It is also designed with a portable shelf, which can be moved freely, and the kitchen counter and baby room can be freely moved around without restriction. Whether it is the voice of consumers, the personal experience of colleagues at work, market observation, etc., we must truly understand the needs of users in order to design the most complete, most close to people's

hearts, and truly help users. We look forward to continuing to develop safe products that are most suitable for mothers and babies with the rich experience accumulated over the past 30 years and the most thoughtful designs.

In terms of own brand children's shoes, my nuno uses a variety of environmentally friendly materials, fabrics and microfibers to reduce the use of genuine leather. 3D printing and thermal transfer printing have replaced traditional printing, applying patterns and rich colors in shoe designs. Sports and leisure shoes have been added to complete the line and upgrade the brand structure. We are also looking for organizations with the same philosophy, expecting the common good value of "take from the society and use it for the society", for example: children's bookstores, through substantial support to continue the cycle of goodness and create a bright future for children.

In order to meet the needs of children at different stages of growth and safeguard their feed, here are the five exclusive secrets for creating good news:

Strict selection of shoe materials: leather, pure cotton, etc. with excellent softness and strong sweat absorption are chosen. The excellent breathability keeps the feet comfortable, which is perfect for children's shoes.

Great coverage: The special shoe shape offers great coverage with strengthened support for the ankles and protection for the insteps, which can reduce the impact in case of fall.

Anti-slip and wear-resistant: rubber outsole is the top choice with the groove design that strengthens the grip, offering anti-slip and wear-resistant features.

Wide last design: Baby toes are fat and wide. Enough space should be given so that they do not suffer from constant pressure.

Easy to put on: velcro and elastic straps have replaced buckles and shoelaces to make things easy when moms have to help the babies put on their shoes. It also allows children to learn independently.

Research and development expenditures as well as technologies during the most recent fiscal year and during the current fiscal year up to the date of printing of the annual report

Unit: NTDS thousand

2024	In current year up until March 31,2025
1,715	2,291

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

1. Short-term business development plans

In 2023, The core of the Group's operations is the optimization of brand, commodity, channel, and supply chain management. The specific operating policies are as follows:

- Private brand value enhancement
- Development of home and healthy living products and channels
- All-channel integration of virtual and real operations
- Diversified operation of online (including overseas cross-border e-commerce) sales platforms

- Supply chain management optimization
- Member data utilization and social media management capability improvement
- China's multi-brand development and market segmentation
- The regionalization of China's franchise and wholesale business is deeply rooted

2. Long-term business development plans

With the development of science and technology, the supplies needed for parenting are changing with each passing day, but the desire of parents to love and protect their children is a constant principle. les enphants adheres to the core vision, mission and values that it has always adhered to, and is committed to serving young families, helping parents realize their love for their children as their utmost responsibility, and giving children the best service and choice.

In the rapidly changing retail environment, we still glimpse the development potential of the market, focus on our brand core competitiveness, insist on high quality and safety, strengthen product design and development, continue to optimize supply chain management, develop new channels and new customers, Customer relationship management and service upgrades, laying a deeper foundation for the industry, establish a reliable and trustworthy interactive relationship with parents, and create a high-quality and beautiful consumer experience.

In the future, we will continue to be active, innovative and adaptable, stick to our mission, realize the brand value of "just be" and the vision of "where there are children, there is les enphants", and invite les enphants employees, customers and shareholders to accompany us in protecting our children's growth!

II. Market and Sales Overview

(I) Market analysis

1. Sales region for major products

Unit: NTDS thousand

Region	Year	2023		2024	
		Amount	Amount	Amount	Percentage%
Baby Apparel Supplies (domestic sale)		3,018,708	98.23	2,748,098	97.93
Rental Business		54,351	1.77	57,947	2.07
Total		3,073,059	100.00	2,806,045	100.00

Note: Major products for all subsidiaries of the Group are baby apparel supplies, and they are sold in the region where the subsidiary locates. These are revenues generated 100% from domestic sales in each region.

2. Market shares, future supply and demand status in the market, growth, and competition niche

The Group's major business is baby apparel and relevant supplies. The net operating revenues for les enphants in 2024 was TWD 1.87 billion. There are 184 shops and stores in Taiwan. Total operating revenue from subsidiaries in China had reached NT\$0.92 billion in 2024, and there are approximately 146 directly-operated (excluding franchised) stores and department store booths throughout China.

(1) Demand

The global childrenswear market remains in a rapid growth phase. According to the report "*Childrenswear Market – Growth, Trends, and Forecasts (2020–2025)*" by renowned global research firm Mordor Intelligence, the compound annual growth rate (CAGR) of the global childrenswear market is projected to reach 8.76% between 2020 and 2025. Growth in the Asia-Pacific region is particularly strong, especially in developing countries such as China and India. In 2021, the Industrial Economics and Knowledge Center (IEK) of Euromonitor also forecasted that China's childrenswear market would exceed RMB 400 billion by 2024 and reach RMB 473.8 billion by 2025, achieving a double-digit annual growth rate.

In 2024, although the global economy is gradually recovering from the impacts of inflation and interest rate hikes, geopolitical instability, regional economic rebalancing, and industrial supply chain restructuring continue to create significant uncertainty for global business operations. China faces a complex situation in 2024 with both domestic and international pressures. Although the official annual GDP growth rate is projected to remain around 5%, slightly below the target set at the beginning of the year, it reflects the impact of weak domestic demand and the ongoing adjustment in the real estate market. Real estate development investment and housing transactions have not seen a significant rebound, dragging down related industries and dampening consumer confidence.

In the job market, the youth unemployment rate remains high, peaking at over 18% mid-year and falling slightly to 16.1% by year-end. This underscores challenges in industrial transformation and structural imbalances in the labor market. Meanwhile, birth rates remain sluggish, and negative population growth persists with no signs of reversal. The shift in social structure will have long-term implications for the labor force and consumer market. Despite efforts by the Chinese government to address declining birth rates—such as relaxing the one-child policy since 2016, allowing three children per family starting mid-2021, abolishing the "social maintenance fee," removing penalties for exceeding birth limits, and offering tax incentives, maternal health care measures, and various reward policies—these actions have yet to produce meaningful results.

In Taiwan, the GDP growth rate for 2024 is projected to reach 4.27%, outperforming the previous two years, reflecting steady domestic demand and a rebound in technology exports. Particularly, exports related to artificial intelligence and semiconductors have driven industrial recovery. However, Taiwan continues to face severe demographic challenges. The number of births in 2024 is expected to hit a new low, with natural population decline becoming the norm. Long-term labor supply and the potential for domestic market growth are under pressure. Furthermore, the aging population is accelerating, posing profound implications for social welfare, healthcare, and the long-term care industry. In 2023, the number of births was approximately 135,000, slightly down from 138,000 in 2022. With fewer births, continued emigration, and an aging population, the phenomenon of "more deaths than births" has become a regular occurrence, and the overall size of Taiwan's market is gradually shrinking.

(2) Supply

The increase in supply is expected to be greater than the increase in demand. The recession in the retail market in Europe and America in recent years caused many export-oriented apparel manufacturers to use their own brands to enter into the domestic retailing market due to idle productivity. China, a market with a population of 1.3 billion people and the implementation of “universal two-child” policy, is a must-have market for baby brands all over the world. With the increasing investments from domestic and foreign corporations, we anticipate that the competition in baby supplies industry in China will be more intense.

(3) Growth Potential

With the accelerated development of the Chinese economy, the disposable income of its people has increased, and their childcare philosophy has become more modernized along with their demand for product value. The demand for infant and children's goods in China is undergoing a revolution! With the trend of "consumer upgrades" in recent years, consumers are no longer chasing after the lowest price, and product quality represented by the brand has become the mainstream trend. Enterprises with higher expected brand value will come to have more market influence.

(4) Competitiveness niche

Channel services and member cultivation are the core advantages that les enphants has accumulated over a long period of time, and they also lay a solid foundation for les enphants in the whole channel retailing model. In addition to these advantages, other strengths including brand, products, information technology, excellent integrated management capacity, excellent financial structure, and diverse finance channels which will also assist les enphants in becoming a leader in the mother and baby supplies industry with new types of channels at every stage.

3. Favorable and unfavorable factors in the development and response measures

(1) Favorable Factors

- The global epidemic will usher in the unblocking in 2023. It is expected that market demand will recover quickly and drive consumption.
- The declining birth date has made parents more willing to invest more resources in children. Significant growth can be seen from all aspects such as toys and entertainment for leisure, necessities such as food, clothing, footwear, to education, medical care, etc. As a result, the parenting and children's wear industries still enjoy relatively fast-growing markets.

(2) Unfavorable Factors

- Whether the market supply side can quickly adjust in response to short-term demand increases.
- The global inflation triggered by the Ukraine war also led to the rapid rate hike in the United States, impacting the global economy.
- Intense market competition.
- Operating costs continue to rise.
- The rapid growth of e-commerce creates increasing threat for physical stores.

(3) Response measures

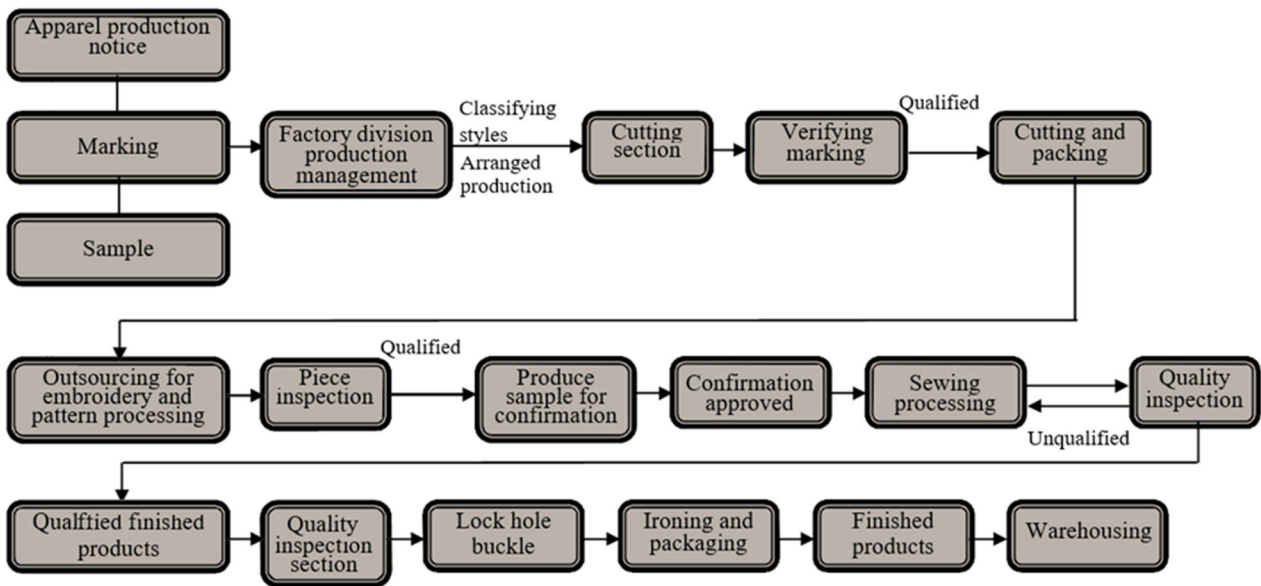
- Strengthen the brand image of specialty store for baby products
- Increase the operating efficiency of physical channels
- E-commerce - balance development for quality and quantity
- Efficient management for supply chains
- Speeding up the expansion of franchise in China

(II) Important purpose of main products and the production process

1. Important purpose of main products

Mainproducts	purpose
Childrenapparel	Apart from satisfying the basic physiological demands of keeping cool and staying warm, ourchildren’s apparel is also fashionable and creative.
Supplies	Provide baby’s cleaning and personal care supplies, bathing supplies, and necessities that helpchildren grow up happy and healthy.
Baby toys	Satisfy the functions required in baby games, including playing, soothing, training andlearning.

2. Production process



(III) Supply status of major raw materials

Baby apparel: Main materials are 100% cotton or environmental protection material woven fabrics and knitted fabrics.

The said materials are supplied by Taiwanese suppliers, who have collaborated with les enphants for a long period of time, have stable delivery periods and meet the quality standards. les enphants and suppliers establish an excellent and stable supply-demand relationship.

(IV) The names of customers/suppliers whose sales/purchase amount accounted 10% or more of the total sales/purchase amount in any year of the most recent two fiscal years and their sales/purchase amount and ratio, and describe the reasons for increase or decrease.

1. The names of customers whose sales amount accounted 10% or more of the total sales

amount in any year of the most two recent fiscal years: No customers of the Group whose sales amount accounted 10% or more of the total sales amount in any year of the most recent two fiscal years.

- The names of suppliers whose purchase amount accounted 10% or more of the total purchase amount in any year of the most recent two fiscal years:

Unit: NTD\$ thousand

Item	2023				2024				In current year up until Mach 31,2025			
	Name	Amount	The ratio accounting the annual net purchase amount (%)	Relationship with the issuer	Name	Amount	The ratio accounting the annual net purchase amount (%)	Relationship with the issuer	Name	Amount	The ratio accounting the annual net purchase amount (%)	Relationship with the issuer
1	A company	370,386	24.43	Non-relationship	A company	325,531	22.91	Non-relationship	A company	117,740	28.79	Non-relationship
1,095,114	77.09	1,516,392	100.00		other	1,420,645	100.00		other	408,941	100.00	
1,420,645	100.00	370,386	24.43		Net purchase amount	325,531	22.91		Net purchase amount	117,740	28.79	

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of printing of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Year		2023	2024	As of 2025.3.31
Number of employees	Direct personnel	35	4	0
	Indirect personnel	29	0	0
	Management personnel	445	344	337
	Store and shop personnel	1,008	674	632
	Part-time personnel	166	179	96
	Total	1,683	1,201	1,065
Average age		39.35	41.68	43.17
Average years of service		8.41	10.00	10.18
Education levels	Doctor Degree	0%	0%	0%
	Master Degree	2%	2.4%	2.8%
	Bachelor Degree	37%	41.7%	42.9%
	High School	42%	42.2%	41.9%
	Below High School	19%	13.7%	12.4%

IV Disbursements for environmental protection

In the most recent year and up to the date of publication of the annual report, the losses suffered due to pollution of the environment (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the font size of the punishment, the provisions of the statute violation, the content of the statute violation, and the content of the punishment), And disclose the current and future estimated

amounts and corresponding measures. If it is impossible to reasonably estimate, it should explain the fact that it cannot be reasonably estimated: Not applicable.

V. Labor relations

(I) Status of employee benefit measures, education, training, retirement system and implementation, as well as the negotiation between labor and management, and employee interests protection measures

1. Employee benefit measures

Subsidiaries of the Group stipulate employee benefits measures of benefits, insurances, subsidies, and bonus in accordance with local laws and regulations. They also establish employee benefit committee, which convenes meetings on a regular basis to conduct employee benefit measures and activities, such as company trip, official leave for traveling, marriage subsidiary, birth subsidiary, funeral subsidiary, birthday gift, or annual subsidiary distribution. Apart from labor and health insurance required by laws, the Company also provides group insurance for employees, which include casualty insurance, hospitalization insurance, and cancer insurance. To comply with the childbirth encouragement policy of the government, the Company provides birth subsidiary and paid-family care leave to employees with certain years of service when they have second child or more. To protect the health of our employees, the Company conducts health examination for employees, establishes sports clubs like the yoga club and dancing club. To encourage internal start-up business, increase centripetal force of employees, and closely connect the personal career of employees with the operating result of the Company, the Company shares operating result with employees and implement license franchise system.

2. Education and training

The Group provides employees with an open and diverse learning environment for learning and education. Employees may accomplish self-learning through internal/external training, les enphants digital learning system, learning in benchmark stores, internal meetings, sharing of profession and experience from internal instructors, project participation or OJT instruction by colleagues or supervisors. The Group also arranges employees who are highly related to the business to conduct a business inspection abroad, which allows them to refine their knowledge and experience and to be more sophisticated as the Company grows.

The Company also stipulated Regulations Governing Management of Educational Training as the basis of internal implementation. In 2024, there were more than 6,099 enrollments participated in the internal and external educational training, and the training expenses were NT\$1.12 million.

3. Retirement system and implementation

Labor Pension Act was enforced on July 1, 2005. Employees who were employed before June 30, 2005 and continue to be employed on July 1, 2005 may choose to be

continuously applicable to either the retirement mechanism prescribed in “Labor Standard Act” or the retirement system prescribed in “Labor Pension Act” and their seniority prior to the application of the Labor Pension Act shall be preserved. Employees who are employed after July 1, 2005 is only applicable to the retirement system prescribed in “Labor Pension Act”. The Company’s Employee Retirement Regulation stipulated in accordance with the “Labor Pension Act” is a defined distribution plan, which distributes 6% of the salary of employees to individual pension account on a monthly basis starting from July 1, 2005.

The Company’s Employee Retirement Regulation stipulated in accordance with the “Labor Standard Act” is a defined benefit plan. The benefit of employee pension is based on the seniority and the salary at retirement. The Company distributes 10% of the salary of employees as their retirement reserve, which is deposited into the account of Bank of Taiwan (originally Central Trust of China) by the Supervisory Committee of Labor Retirement Reserve in its name. In accordance with Paragraph 2, Article 56 of the Labor Standard Act amended on February 4, 2015, the Company estimates the pension amount for employees who will be eligible for retirement on the next year by December 31 of the current year and makes up the gap between the estimated pension amount and actual pension amount by March 31 of the next year.

Retirement System and Implementation	Older scheme	New scheme
Legal application	Labor Standards Act	Labor Pension Act
Method of contributions	The Company shall transfer 10% of the total salary to the pension fund on a monthly basis, which shall be deposited in the special account of the Bank of Taiwan in the name of the Labor Retirement Reserve Fund Supervision Committee.	All accounts receivable are recognized against losses based on the expected credit losses during the lifetime. Expected credit loss is to reassess the average credit loss using the risk of default as a weight.
Total contributions	Cumulative amount in employee pension fund is NT\$108,075 thousand.	In 2024, the Company contributed NT\$16,771 thousand.

4. Negotiation between labor and management and protection measures for employee interests

The Company attaches great importance to feedback from employees. To protect employees’ rights, including employment, working hours, attendance, leaves, awards and punishments, and promotion, the Company not only includes rights of employees into the Code of Practice in accordance with relevant laws and regulations to protect them, but also convenes labor-management meetings on a regular basis. In those meetings we encourage employees to ask questions and make suggestions via complaint system, discussion board, and e-mail. We hope to reach a smooth labor-management relationship through comprehensive communication.

5. Code of Conducts and Ethics for Employees

The Company stipulates Code of Practice, Code of Conduct and Code of Services for employees as the principles of employees’ behavior. The Code of Services is stipulated in the Code of Practice, and the content is as follows:

Chapter 6 Code of Services

Article 37	An employee shall be faithful in their duties, abides by all regulations of the Company, and obeys reasonable instruction and management by supervisors. An employee shall not perform his/her duty in a perfunctory or prevaricated manner. All supervisors shall instruct employees in an amiable manner.
Article 38	An employee shall protect the reputation of the Company. All personal opinions related to the Company shall not be publicly expressed unless under permission. Unless conduct missions designated by the Company, an employee shall not publicly act in the name of the Company.
Article 39	An employee shall not carry ammunition, knives and guns, dangerous articles, contraband, cameras, and articles that are not associated with productions to the workplace. An employee shall not smoke or place any articles that can easily cause fire in the workplace and areas that strictly prohibits fire (such as warehouses, storage, and archives).
Article 40	Internally, an employee shall be hardworking, cherish public property and reduce loss, improve quality and increase production; externally, employees shall preserve confidentiality of his/her duties or businesses. An employee shall not have the conduct of breaching trust, fraud and undermining others’ interests, and he/she shall not evade, prevaricate or delay duties without reasonable causes when performing duties. Where other divisions are busy, an employee shall, although it is not his/her duty, abide by the instructions of the supervisors to collaborate and assist in the matters of other divisions without prevarication.
Article 41	Apart from holidays, business trips, or leaves with causes, an employee shall arrive at the workplace on time and punch cards or sign in person. An employee shall not entrust others to punch cards or punch cards for others.
Article 42	An employee shall not leave his/her post during the office hours. An employee who is required to leave the workplace due to official duties shall be granted by the supervisor before leaving the post. An employee taking personal leaves shall be granted by the supervisor before leaving the post. An employee in violation of the regulations will be regarded as absent.
Article 43	In principle, an employee shall finish their daily assignments on that day. For those who cannot not finish their assignments, they shall continue to work, if it is so required, until completion even it is after the office hours. In addition, where emergency matter occurs, an employee receiving notice from supervisors shall go to the Company or designated places whether it is office hours or not.
Article 44	An employee shall cherish public properties and shall not cause damage to public properties or make public properties his/her private possession. When leaving the post or getting off work, an employee shall not carry Company properties with them. This provision does not apply to employees who are required by their official duties with written permissions from supervisors.
Article 45	Managerial officers of the Company shall not independently or jointly operate the same or similar business of the Company nor concurrently serve other positions other than the Company. This provision does not apply to managerial officers with the approval by the Board of Directors.
Article 46	An employee shall not sign a debt contract or provide guarantee to debts in the name of the Company or of the duty. An employee shall not make the benefits for himself/herself or others with his/her power.
Article 47	Based on the customer-oriented service principle, an employee shall receive customers in humble and sincere manner and shall not be outrageous and arrogant. An employee shall also complete matters requested by customers as properly as possible. If customers have misunderstandings, an employee shall peacefully explain it to customers. Where customers inquire anything whether that was handle by the same employee, an employee shall still explain the matter in a humble manner or ask other colleagues to explain. An employee shall not simply reply “I don’t know”.
Article 48	Employees shall be united and shall not provide false opinions or curse, provoke, argue, fight, gossip, spread rumors or have conducts that disturb the order or undermine the Company’s reputation in order to be beneficial to the development of the Company’s business.

Article 49	Services of employees shall be decentralized in responsibilities, discreet, clean, honest and polite to maintain the excellent image of the Company. Supervisors of all levels shall be held accountable for monitoring and commanding.
Article 50	An employee shall wear an identification card or service badge as required by the regulation. Identification card or service badge shall be returned to the Company when issuing a new one or upon resignation.
Article 51	An employee shall propose reports concerning the duties to the superiors level by level. An employee shall not go over the superiors' head to a higher level of management. This provision does not apply when emergency or special circumstance occurs.
Article 52	An employee shall not post or pass any documents internally or tear up public announcement without permission. An employee is obliged to carefully read the content of announcements to learn the regulations of the Company.
Article 53	All employees shall abide by laws governing labor safety and health and the Company's regulations to maintain the safety, health and cleanness of the workplace and their surroundings and to prevent burglary, fire or other natural disasters.
Article 54	When taking leaves or shifts, an employee shall clearly explain the operation situation, content of the work, and the places where he/she put the important tools or devices. Where an employee fails to clearly explain the work to another employee that results in operation error or the damage or loss of production tools or products, such employee shall be subject to punishment. Where the Company suffers loss from such act, the Company may file a litigation for compensation in accordance with laws.
Article 55	<p>Visitors:</p> <ol style="list-style-type: none"> 1. For guests or visitors visiting the Company with personal matters, they will not be received in any working hours of any shift, unless they visit the Company with emergency matters that they may meet our employees in a designated place. 2. If guests or visitors visit the Company with business matters, they shall make registration in the security room and obtain guest badge before entering the Company. <p>Unless otherwise approved by relevant management, guests or visitors are not allowed to enter any offices.</p>
Article 56	<p>Phone etiquette:</p> <ol style="list-style-type: none"> 1. When answering phone calls, the volume shall be adjusted to the extent that the counter party can clearly hear the voice and shall be as lower as possible to prevent disturbing others. 2. Please use polite terms like "Hello", "Please", "Thank You", "Sorry", and "You're Welcome". 3. Do not let the phone rings for too long without answering it and do answer the phone calls of others as possible. 4. Where the counterparty cannot reach the employee he/she is looking for, an employee shall take notes of his/her name, unit and phone numbers. 5. Chatting with family members and friends through phones in the working hours is prohibited. 6. Arguing with customers in the phone call is strictly prohibited. Such act shall be subject to punishment when being discovered.

6. Protection measures for working environment and personal safety of employees

Taoyuan Plant of the Company stipulates Code of Safety and Health in accordance with Occupational Safety and Health Act as the legal basis for employees to comply with in handling safety and health matters. The content is as follows:

Chapter 3 Regulations Governing Management Personnel for Labor Safety and Health

Article 1	Management personnel for labor safety and health shall be familiar with the code of practice for safety and health and safe working methods and shall apply them in the daily supervision.
Article 2	Management personnel for labor safety and health shall describe the regulations governing safety and health and correct operation method in detail to employees and new employees concerning their duties.
Article 3	Management personnel for labor safety and health shall supervise workers that whether workers use protection equipment in accordance with regulations. When necessary, management personnel shall list it into the safety rules or compulsory enforcement.

Article 4	<p>1. Management personnel for labor safety and health is held accountable for coping with the employer and supervisors to stipulate occupational hazards prevention plan, implement occupational hazard investigation, and report and conduct occupational hazard statistics.</p> <p>2. Management personnel for labor safety and health is held accountable for planning and supervising the labor safety and health management of all departments and divisions of the Company, as well as checking, inspecting and recording the result in the safety and health journal.</p> <p>3. Management personnel for labor safety and health is held accountable for coping with supervisors on implementing patrol, regular inspection, key inspections, and determination of operation environment.</p> <p>4. Management personnel for labor safety and health is held accountable for planning labor health examination and implementing health management.</p> <p>5. Management personnel for labor safety and health is held accountable for planning and implementing educational training for labor safety and health, as well as proposing suggestions and materials relating to labor safety and health management to the employer.</p>
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Chapter 4 Code of General Practice for Safety

Article 1	Once the machine starts to operate, operators shall not leave the workplace without permission.
Article 2	Where the dashboard of a machine encounters malfunctions that requires repairs or where a machine or power equipment encounters abnormal conditions, such machine or equipment shall be shut down immediately and a warning plank shall be placed on the power switch before inspection and repair taking place in order to prevent accidents from happening.
Article 3	All machinery equipment and tools shall be kept clean at all times.
Article 4	The safety and health equipment and tools of the Plant may not be removed or decommissioned without permission. If the removal or decommission of equipment or tools is found, the management personnel shall report to the employer or supervisor immediately.
Article 5	The ground of workplace shall be kept dry. If any oil pour on the ground, it shall be cleaned immediately to prevent slippery.
Article 6	Hand tools shall be kept in good condition. Personnel shall inspect whether they are loose or damaged before using the tools. If loose or damage is found, such tools shall not be used for the safety reason. Tools shall be returned to the storage place after use.
Article 7	Electric hand tools shall be in excellent insulation before use.

The Company implements measures against sexual harassment in workplace. Apart from regular promotions, the Company also stipulates workplace sexual harassment prevention measures, complaints and discipline regulations for compliance.

VI. Cyber security management

(I) Cyber security management strategy and framework

1. The Company's information security management unit is the Information Office, which is responsible for planning, executing and advocating matters related to information security management to enhance the information security awareness of all colleagues.
2. The Company's information security audit unit is the Auditing Office. If any defects are found during the audit, the audited unit is required to propose relevant improvement plans, and the improvement results are regularly tracked to reduce the risks of information security.
3. In order to achieve the Company's information security management to execute in practice, operate effectively, and continuously improve, we maintain the confidentiality, integrity and availability of the Company's core information systems to achieve the goal of

sustainable business operations.

(II) Cyber security policies

To execute the Company's information security management in practice and to maintain the confidentiality, integrity and availability of the information systems, the Company's information security management policies are carried out in the following three directions:

1. Establishment of polices: to formulate the Company's information security management regulations, and to confirm that the information operation process conforms to the industry standards and the actual operational needs with the assistance of internal professionals or external professional consultants for the information system.
2. Use of equipment: to build relevant security management equipment, and to implement information security management measures. We establish an automatic monitoring system to record the running status of the cyber system at any time, and we collect relevant records for issuing an alarm to relevant personnel when an abnormality occurs. We also report to the responsible supervisor depending on the severity level to ensure proper handling of the system's any conditions.
3. Education and training: We carry out information security education and training of personnel, strengthen the information security awareness of all colleagues, and ensure that colleagues can keep information security awareness and related knowledge at any time.

(III) Information security management measures

Category	Description	Related procedures
Authority Management	Management measures for personnel user accounts, authority management and system operation behavior	<ol style="list-style-type: none"> 1. Management and review of authority for personnel user accounts 2. Regularly review and check of authority for personnel user accounts
Control on access	Control measures for personnel access to internal and external systems and data transmission	<ol style="list-style-type: none"> 1. Control measures for internal/external access 2. Network firewall device settings for information security management and control
External threat	Protective measures for potential security weaknesses, vulnerabilities and others of information systems	<ol style="list-style-type: none"> 1. Update measures for information system vulnerabilities 2. Regular updates for computer virus protection and virus patterns
Usability	Treatment measures for information services in availability status and service interruption	<ol style="list-style-type: none"> 1. Monitoring and reporting mechanism for network and system availability status 2. Treatment measures for information services in service interruption 3. Regular backup mechanism for data 4. Regular walkthrough for disaster recovery

VII. Important contracts

Nature of Contracts	Party	Commencement dates and expiration dates of contracts	Major content	Restrictive clauses
Dealership and agency	The William Carter Company and OshKoshB'Gosh, Inc.	2023.01-2027.12	Authorized to produce and sell OSHKOSH&CARTER's children's apparel	None
Dealership and agency	Adidas Taiwan Limited	2025.01-2025.12	Sales agent for Adidas	None
Dealership and agency	PUMA Taiwan Sports Ltd.	2023.03-	Sales agent for PUMA	None
Dealership and agency	Regassa Co. , Ltd	2024.12-2026.11	Purchasing Combi brand products	None
Technology Licensing	The Walt Disney Company (Taiwan) Ltd	2024.12-2028.06	Licensed to manufacture and sell Disney Babies branded children's clothing and accessories.	None
Lease Contract	Fubon Life Insurance Co., Ltd.	2017.11-2037.11	Rented Neihu Headquarters after the sales transaction has been completed. Lease is for 20 years and calculated based on the contract completion date.	3% increase in rent in 3 rd , 6 th , 9 th , 12 th , and 18 th year after beginning the contract

Five. Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

I. Financial Condition

Unit: NTD\$ thousand

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		2,049,979	1,900,788	149,191	7.85
Property, Plant and Equipment		407,666	427,234	(19,568)	(4.58)
Intangible Assets		22,958	35,121	(12,163)	(34.63)
Other Assets		1,422,630	1,531,097	(108,467)	(7.08)
Total Assets		3,903,233	3,894,240	8,993	16.25
Current Liabilities		2,442,698	2,101,312	341,386	6.78
Non-Current Liabilities		945,713	885,671	60,042	7.02
Total Liabilities		3,388,411	2,986,983	401,428	13.44
Share Capital		1,051,260	1,401,680	(350,420)	(25.00)
Capital Reserve		134,058	134,058	-	-
Retained Earnings		(566,976)	(510,463)	(56,513)	(11.07)
Other Equities		(168,332)	(176,844)	8,512	4.81
Treasury Stock		-	-	-	-
Non-controlling Equity		64,812	58,826	5,986	10.18
Total Equities		514,822	907,257	(392,435)	(43.26)
<p>Explanations for major reasons and effects of changes of 20% or more in the beginning and ending periods:</p> <ol style="list-style-type: none"> 1. Change in share capital was mainly due to the capital reduction to make up for losses. 2. Change in non-controlling equity was mainly due to the increase in net profit from non-controlling equity and other comprehensive income. 3. Change in total equities was mainly due to the increase in net loss after tax. <p>Changes mentioned above are natural consequences of operations with no significant impact on the Company's financial position.</p>					

II. Financial Performance

Unit: NTDS thousand

Item	Year		Increased (decreased) amount	Variation Ratio (%)
	2024	2023		
Net Operating Revenues	2,806,045	3,073,059	(267,014)	(8.69)
Operating Costs	1,659,432	1,834,272	(174,840)	(9.53)
Operating Gross Profits	1,146,613	1,238,787	(92,174)	(7.44)
Operating Expenses	1,583,663	1,800,022	(216,359)	(12.02)
Net Operating Profits (Losses)	(437,050)	(561,235)	124,185	22.13
Non-operating revenues and expenditures	19,769	46,721	(26,952)	(57.69)
Net Profits (losses) Before Tax	(417,281)	(514,514)	97,233	18.90
Income Tax Expenses (Benefits)	4,484	8,793	(4,309)	(49.00)
Net Profits (Losses) of the current period	(421,765)	(523,307)	101,542	19.40
Other comprehensive profits and losses of the current period - net amount after tax	29,330	5,839	23,491	402.31
Total comprehensive profits and losses of the current period	(392,435)	(517,468)	125,033	24.16
Net profits (losses) belong to the owner of the parent company	(427,438)	(529,190)	101,752	19.23
Net profits (losses) belong to non-controlling equities	5,673	5,883	(210)	(3.57)
Total comprehensive profits and losses belong to the owner of the parent company	(398,421)	(529,925)	131,504	24.82
Total comprehensive profits and losses belong to non-controlling equities	5,986	12,457	(6,471)	(51.95)
<p>Explanations for major reasons and effects of changes of 20% or more in the beginning and ending periods:</p> <ol style="list-style-type: none"> 1. Change in income tax expenses was mainly due to the decrease in net income of Shanghai Les Enphants. 2. Change in the other comprehensive profits and losses of the current period was mainly due to the changes in remeasurement of defined benefit plans and exchange differences on translation of the financial statements foreign operations. 3. Changes in net losses belong to non-controlling equities were mainly due to the increase in net profits of L.E. Genuis. 4. Changes in total comprehensive profits and losses belong to non-controlling equities were mainly due to the increase in net income of L.E. Champion. <p>For possible effects on the Company's future finance and business and countermeasures, please see explanations found in the "Letter to Shareholders."</p>				

III. Cash Flow

Unit: NTD\$ thousand

Cash balance as of the beginning of 2024	Net cash flow generated from operating activities in 2024	Cash outflow generated from investments and financing in 2024	Effect of Changes in Exchange Rate on Cash	Cash surplus (deficiency) amount in 2024	Remedial measures for cash deficiency in 2024	
					Investment Plans	Investment Plans
410,717	(60,907)	437,658	17,980	805,448	None	None

(I) Analysis and description of changes in cash flow in 2024

The Company's cash as of December 31, 2024 increased by TWD394,731 thousand compared to 2023. The changes are as follows:

1. TWD (60,907) thousand of net cash inflow generated from operating activities.
2. TWD (10,706) thousand of net cash outflow generated from investments.
3. TWD 448,364 thousand of net cash inflow generated from financing.
4. TWD 17,980 thousand of the effect of changes in exchange rate on cash.

(II) Improvement plans for insufficient liquidity

The current ratio at the end of 2024 was 83.92%, and the liquidity was slightly insufficient. The company's response and improvement plan is as follows:

1. Continuously inspect the operating performance of the store cabinets, activate the loss point exit mechanism, and strengthen and control the company's inventory level to reduce the company's unnecessary capital backlog.
2. It is expected to apply for a new credit line from the current financial institution to meet the company's operating growth and working capital scheduling needs.
3. On June 30, 2023, the shareholders' meeting approved the private placement of convertible corporate bonds, and on November 9, 2023, the board of directors resolved to complete the private placement of convertible corporate bonds, with the amount raised totaling NTD150,000,000.

(III) Cash liquidity analysis for the next year

Unit:NTD\$ thousand

Cash balance as of the beginning of 2025	Expected net cash flow generated from operating activities in 2025	Expected cash outflow generated from investments and financing in 2025	Expected cash surplus (deficiency) amount in 2025	Expected remedial measures for cash deficiency in 2024	
				Investment Plans	Investment Plans
805,448	5,720	(718,134)	93,034	None	None

Analysis on the changes in cash flow next year:

1. Operating activities: NTD\$119,177 thousand of net cash outflow, which was mainly caused by operation.
2. Loans and financing: NTD\$65,372 thousand of net cash inflow, which was mainly caused by the lease liabilities principal repayment, increased capital expenditures.
3. Expected remedial measures for cash deficiency and liquidity analysis: None.

IV. The Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

- (I) Application and source of funds for major capital expenditures: None.
- (II) The effect upon financial operations of any major capital expenditures: None.

V. Investment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

In fiscal year 2024, the investment loss amounted to NT\$262,429 thousand, primarily due to a reduction in the number of operating locations in Mainland China, which impacted local sales momentum. Going forward, in addition to strengthening inventory level control and continuing the store closure strategy, the company will also intensify investment in e-commerce. At the same time, efforts will focus on enhancing the operational efficiency and added value of physical channels, as well as optimizing supply chain management and logistics efficiency, in order to reduce losses.

VI. The Section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of printing of the annual report

- (I) The impact from interest rate, changes in exchange rate, and inflation on the Company's profits and losses and the response measures in the future

Due to the demand of operating activities, the major market risk that the Group bears from financial institutions is interest rate risk. However, domestic and foreign institutions expect that the trend of interest rate in a middle to long-term remains at slowly decline or at the same level. Therefore, the chances that the Group encounters losses from interest rate risk are low, and the Group does not conduct hedging against interest rate risk. The Group borrows funds in fixed and floating interest rates, which generates interest rate risk exposure. Therefore, the Group manages interest rate risk through maintaining a proper portfolio of fixed and floating interest rates. The Group's major financial instruments are equity and debt instruments, corporate bonds, loans from financial institutions, and issuing commercial papers, etc. The financial management division of the Group provides services to the Group, including planning the operation in domestic and international capital market as well as financial market. The division evaluates financial risks relating to the operation of the Group through analysis on the actual demand and risk level. The financial management division also proposes reports to the management irregularly or when necessary. Internal audit personnel also consistently conduct audits on the compliance of policies. The Group's interest revenue and expenses and the exchange profits and losses to operating revenues are as follows:

Unit: NTDS\$ thousand

Item	2024	2023
Interest revenues (expenses) (A)	(91,514)	(75,050)
Net exchange profits (losses) (B)	1,516	(5,039)
Net operating revenues (C)	2,806,045	3,073,059
Interest revenues (losses) to net operating revenues (A/C) (%)	(3.26)	(2.44)
Net exchange profits (losses) to net operating revenues (B/C) (%)	0.05	(0.16)

1. The impact of changes in interest rate in the most recent fiscal year on the Company's profits and losses and the response measures in the future :
- The net interest revenues (losses) to net operating revenues ratio in 2024 and 2023 were (3.26%) and (2.44%) respectively, which only has little impact on the revenues of the Group. However, the Group shall pay attention to the trend of

interest rate at all times and plan for hedging in advance to prevent any possible risks in operation.

2. The impact of changes in interest rate in the most recent fiscal year on the Company's profits and losses and the response measures in the future :

The net exchange profits (losses) to net operating revenues ratio is 2024 and 2023 were 0.05% and (0.16%) respectively. Due to the fact that the Group focuses on domestic sales. The exchange rate has little impact on the revenues of the Group. However, the Group shall pay attention to the exchange rate fluctuation, plan for hedging in advance, and enact "Operational Procedures for the Acquisition or Disposal of Assets" for control and management to prevent any possible exchange risks in operation.

3. Impact of inflation :

Recently, the price for raw materials in the world has been increasing, and the price for water and electricity supplies in Taiwan is also under the pressure of increasing. Therefore, the Group shall actively improve production procedures to improve unit production and speed up the decrease in unit costs, as well as properly adjust sales price when necessary under the circumstance that the purchase costs increases.

- (II) The Group's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions. The main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. The Group did not engage in any high-risk and high-leverage investments with speculating purpose in 2024
2. Loans from the Group to other parties in 2024 were limited to subsidiaries of the Group. The loan amount was properly evaluated based on the actual demand, and the loan procedure was conducted in accordance with "Operational Procedures for Lending Funds to Others" of the Company after reporting to the Board of Directors for approval. There was loans NTD\$72,292 thousand to others as of December 31, 2024.
3. Endorsements and guarantees by the Group for other parties in 2024 were limited to subsidiaries of the Group. The purpose of guarantee was the guarantee for loan amount from financial institutions, and the loan amount was properly evaluated based on the actual demand. The procedure was conducted in accordance with "Procedures for Endorsement & Guarantee" of the Company after reporting to the Board of Directors for approval. The balance of endorsements and guarantees as of December 31, 2024 was NTD\$252,300 thousand.
4. Derivatives transactions engaged by the Group in 2024 were the foreign currency position generated from the operation with the purpose of avoiding market risk and reducing operating risk. Derivatives transactions were conducted in accordance with "Operational Procedures for the Acquisition or Disposal of Assets" and "Operational Procedures for Derivatives Transactions" of the Company. The hedging policy of the Group was proper due to the fact that a realized profit of NTD \$159 thousand and unrealized profit of NTD\$28 thousand were recognized in derivatives in 2024. In the future, the Group will regularly evaluate and adjust hedging strategy based on operation status and fluctuations in the market to avoid possible risks of underlying exposure.

- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

In the next year, the Company will devote itself in the improvement of product quality. We expect the expenditure for research and development for the whole year would be NTD\$2,323 thousand.

- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Group has been amending regulations in compliance with the changes of important policies and amendments to laws at home and abroad, seeking the professional opinions from legal consultants, lawyers, and accountants, and adopting proper response measures to meet the law requirements. Therefore, the changes in the legal environment did not have significant impact on the Group's financial operations.

- (V) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response

The Group is a producer and dealer of children's apparel and supplies. E-commerce and parity consumption cause a lot of stress on the Group's financial operation. The Group has strengthened brand management and increased investment in e-commerce.

- (VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The Group continues to expand business with excellent corporate image of providing sales and services of children's apparel and supplies. There was not relating news or events that undermine the corporate image of the Group.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: Not applicable.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Not applicable.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Group separates the product market to avoid excessive concentration. Most of its purchase targets are well-known domestic and foreign manufacturers. In addition to maintaining good relations with existing customers and suppliers, it is also actively seeking new customers and developing new product agency lines. Strive to disperse the purchase customers. Judging from the purchase situation in the latest year, only one manufacturer purchases more than 10% of the total purchases of the group, and there is no risk of excessive concentration of purchases.

The sales amount of major customers of the Group in the last two years did not exceed 10% of the Group's total sales.

- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the General Manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by

the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) The evaluation ground and basis of the listing method for evaluation accounts of assets and liabilities in the financial statements:

Item	Evaluation accounts of assets and liabilities	Evaluation ground	Evaluation basis
1	Allowance for bad debts	Allowance for bad debts is listed in accordance with the age of receivables and the possibility of collection	The accounts receivable are all recognized and resisted according to the expected credit losses during the lifetime. Expected credit loss is to reassess the average credit loss using the risk of default as a weight.
2	Allowance for reduction of inventory to market	Evaluate with the lower of costs and net realizable value	Net realizable value refers to the balance of the estimated sales price in the normal condition less the estimated costs that shall be invested until completion and the estimated costs required to complete the sales. The calculation of inventory costs adopts weighted average method.

(XIV) Adoption of hedging accounting: Major products for all subsidiaries of the Group are baby apparel supplies, and they are sold in the region where the subsidiary locates. These are revenues generated 100% from domestic sales in each region. Therefore, hedging accounting is not adopted.

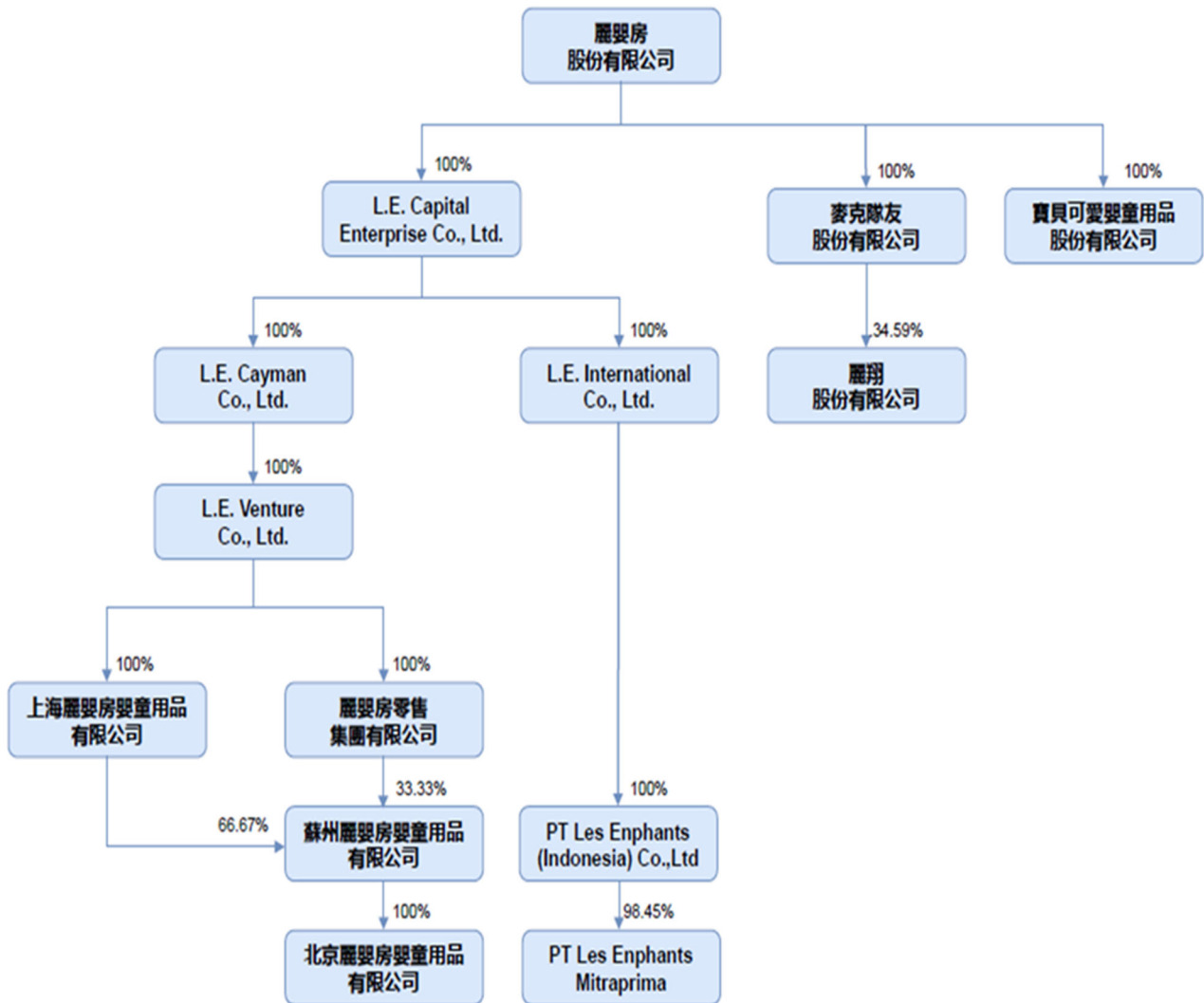
(XV) Other important risks, and mitigation measures being or to be taken: The Group's information security management can be executed, effectively operated, continuously improved, and maintains the confidentiality of the Group's core information system, which can be exchanged with it to achieve the goal of sustainable business operations.

VII. Other Important Matters: None.

SIX. Special Disclosure

I. Information of Affiliates

關係企業組織圖(113年12月31日)



Consolidated Business Reports of affiliates are as follows:

- (I) Organizational Chart of affiliates (December 31, 2024)
- (II) Consolidated description of the organizational relationship of affiliates

History of each affiliate company

- ※ les enphants Co., Ltd. (controlling company) was founded in 1971. The main businesses are production and sales of all apparels, children supplies, toys and warehouse management.
- ※ L.E. Capital Enterprise Co., Ltd. (subordinate company) is a 100% owned company by the controlling company. It was founded in 1999, which mainly a holding company of les enphants Co., Ltd.
- ※ Mike and Friends Co., Ltd (subordinate company) is a 100% owned company by the controlling company. It was founded in 1989, which mainly engages in the sale of children's apparel and supplies.
- ※ L.E. Cayman Co., Ltd. (subordinate company) is a 100% owned company by L.E. Capital Enterprise Co., Ltd. It was founded in 2012, which is mainly a holding company of les enphants Co., Ltd.
- ※ L.E. Venture Co., Ltd. (subordinate company) is a 100% owned company by L.E. Cayman Co., Ltd. It was founded in 2001, which is mainly a holding company of les enphants Co., Ltd.
- ※ L.E. International Co., Ltd. (subordinate company) is a 100% owned company by L.E. Capital Enterprise Co., Ltd. It was founded in 2001, which is mainly a holding company of les enphants Co., Ltd.
- ※ PT les enphants (Indonesia) Co., Ltd. (subordinate company) is a 100% owned company by the controlling company. It was founded in 1992, which mainly engages in the production and sale of children's apparel and supplies.
- ※ Shanghai les enphants Children Articles Co., Ltd. (subordinate company) is a 100% owned company by L.E. Venture Co., Ltd. It was founded in 1993, which mainly engages in the production and sale of children's apparel and supplies.
- ※ PT les enphantsMitraprma (subordinate company) is a 98.45% owned company by PT les enphants (Indonesia) Co., Ltd. It was founded in 1995, which mainly engages in the production and sale of children's apparel and supplies.
- ※ Les champions Co., Ltd. (subordinate company) is a 34.59% owned company by the controlling company. It was founded in 1992, which mainly engages in the sale of children's apparel and supplies, shoes, toys and general merchandise.
- ※ Suzhou les enphants Children Articles Co., Ltd. (subordinate company) is a 100% owned company by the controlling company. It was founded in 2008, which mainly engages in production and sale of children's apparel and supplies, warehousing and logistics. The subsidiary has been renamed Suzhou les enphants Children Articles Co., Ltd. from Suzhou les enphants Logistics Co., Ltd. in November 2017.
- ※ Beijing les enphants Children Articles Co., Ltd. (subordinate company) is a 100% owned company by the controlling company. It was founded in 2011, which mainly engages in the sale of children's apparel and supplies.
- ※ L.E. Genius Co., Ltd. (subordinate company) is a 51% owned company by the controlling company. It was founded in 2012, which is mainly a holding company of les enphants Co., Ltd.
- ※ Shanghai Le Genius., Co. Ltd. (subordinate company) is a 100% owned company by

the controlling company. It was founded in 2012, and the liquidation and cancellation was completed on March 14, 2023.

- ※ lesenphants Retail Group Co. Limited (subordinate company) is a 100% owned company by L.E. Venture Co., Ltd. It was founded in 2017, which is mainly a holding company of les enphants Co., Ltd.
- ※ In 2018, the share swap Suzhou Les Enphants Children Articles Co., Ltd., which was originally held by L.E. Venture Co., Ltd., became 100% directly held by Les Enphants Retail Group Co. Limited.
- ※ In 2018, the board of directors approved the resolution proposing to sell interests in Beijing Les Enphants Children Articles Co., Ltd. and Shanghai Lead Han Trading Co., Ltd., which were held by Shanghai Les Enphants Children Articles Co., Ltd., to Suzhou Les Enphants Children Articles Co., Ltd.
- ※ In 2020, les champions Co., Ltd. hold 51% of the shares of the holding company L.E. Subsidiary Company (Genius Co., Ltd.) Subsidiary Capital Enterprise Co., Ltd..
- ※ Nac Nac Co., Ltd. (subordinate company) is a 100% owned company by the controlling company. It was founded in 2024, which mainly engages in the sale of Baby and children's products

(III) Relationship among controlling companies and subordinate companies of affiliates

Name of Company	Controlling (subordinate) Company	Controlling (subordinate) Relationship
les enphants Co., Ltd.	Controlling Company	Shareholding control
L.E. Capital Enterprise Co., Ltd.	Subordinate Company	Shareholding control
L.E. Cayman Co., Ltd.	Subordinate Company	Shareholding control
L.E. Venture Co., Ltd.	Subordinate Company	Shareholding control
L.E. International Co., Ltd.	Subordinate Company	Shareholding control
les enphants Retail Group Co. Limited	Subordinate Company	Shareholding control
Mike and Friends Co., Ltd.	Subordinate Company	Shareholding control
PT les enphants (Indonesia) Co., Ltd.	Subordinate Company	Shareholding control
Shanghai les enphants Children Articles Co., Ltd.	Subordinate Company	Shareholding control
PT les enphantsMitraprima	Subordinate Company	Shareholding control
les champions Co., Ltd.	Subordinate Company	Shareholding control
Suzhou les enphants Children Articles Co., Ltd.	Subordinate Company	Shareholding control
Beijing les enphants Children Articles Co., Ltd.	Subordinate Company	Shareholding control
L.E. Genius Co., Ltd.	Subordinate Company	Shareholding control
Shanghai Le Genius., Co. Ltd.	Subordinate Company	Shareholding control
Nac Nac Co., Ltd.	Subordinate Company	Shareholding control

(IV) Matters shall be disclosed by the Company in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated

Financial Statements of Affiliated Enterprises” are as follows:

1. Basic information of each affiliated companies and industries covered by operations from affiliated companies: Please refer to Table 1.
2. Information of the same shareholders in companies that are presumed to have a relationship of control and subordination: Not applicable.
3. The information of the directors, supervisors, and general managers of each affiliate company: Please refer to Table 2.

(III) Operation summary of affiliate companies: Please refer to Table 3.

Table 1

lesenphants Co., Ltd. and its subordinate companies
Basic information of affiliate companies

Year
2024

Unit: Unless otherwise stated, it would all be NTD thousand

Name of Company	Date of Establishment	Address	Paid-in capital	Major operation or production
les enphants Co., Ltd.	1971.6.18	Taipei City	1,401,680	Production and sales of children's apparel and supplies
L.E. Capital Enterprise Co., Ltd.	1999.10.18	British Virgin Islands	USD 47,562 thousand	Holding company of controlling company
Mike and Friends Co., Ltd.	1989.9.1	Taipei City	25,000	Sales of children's apparel and supplies
L.E. Cayman Co., Ltd.	2012.3.23	Cayman Islands	USD 41,302 thousand	Holding company of controlling company
L.E. Venture Co., Ltd.	2001.12.20	British Virgin Islands	USD 41,302 thousand	Holding company of controlling company
L.E. International Co., Ltd.	2001.12.20	British Virgin Islands	USD 5,556 thousand	Holding company of controlling company
les enphants Retail Group Co. Limited	2017.08.21	Hong Kong	USD 13,001 thousand	Holding company of controlling company
PT les enphants (Indonesia) Co., Ltd.	1992.1.8	Bandung, Indonesia	IDR 33,402,850 thousand	Production and sales of children's apparel and supplies
Shanghai les enphants Children Articles Co., Ltd.	1993.8.18	Shanghai City	USD 44,200 thousand	Production and sales of children's apparel and supplies
PT les enphants Mitraprima	1995.11.22	Jakarta, Indonesia	IDR 12,918,000 thousand	Sales of children's apparel and supplies
les champions Co., Ltd.	1992.3.10	Taipei City	103,840	Wholesale of children's apparel and supplies
Suzhou les enphants Children Articles Co., Ltd.	2008.5.19	Taicang City, Jiangsu Province	USD 39,000 thousand	Warehousing and logistics business
Beijing les enphants Children Articles Co., Ltd.	2011.5.9	Beijing City	RMB 10,000 thousand	Sales of children's apparel and supplies
L.E. Genius Co., Ltd.	2012.5.30	British Virgin Islands	USD 1,000 thousand	Holding company of controlling company
Shanghai Le Genius., Co. Ltd.	2012.12.24	Shanghai City	USD 1,000 thousand	Sales of children toys

Table 2

les enphants Co., Ltd. and its subordinate companies

The information of the directors, supervisors, and General Managers of each affiliate company
December 31, 2024

Name of Corporation	Title	Name or Representative	Shares Held	
			Number of shares	Number of shares
L.E. Capital Enterprise Co., Ltd.	Chairman	les enphantsCo.,Ltd.Representative: Alex Lin	0	0
	Director	les enphants Co., Ltd. Representative: Michael Lee	0	0
	Director	les enphants Co., Ltd. Representative: Eric Lin	0	0
	Director	les enphants Co., Ltd. Representative: Brenda Lin	0	0
	Director	les enphants Co., Ltd. Representative: Wilson Chen	0	0
	Director	les enphants Co., Ltd. Representative: George Huang	0	0
	Independent Director	Samuel Shih	0	0
L.E. Cayman Co., Ltd.	Director	L.E. Capital Enterprise Co., Ltd Representative:Alex Lin	413,024,450	100
L.E. Venture Co., Ltd.	Director	L.E. Cayman Co., Ltd Representative:Alex Lin	41,302,445	100
L.E. International Co., Ltd.	Director	L.E. Capital Enterprise Co., Ltd Representative:Alex Lin	5,555,700	100
les enphants Retail Group Co. Limited	Director	L.E. Venture Co., Ltd. Representative:Alex Lin	13,001,282	100
L.E. Genius Co., Ltd.	Director	les champions Co., Ltd. Representative:Alex Lin	25,500	51
Mike and Friends Co., Ltd.	Chairman	les enphants Co., Ltd. Representative:Eric Lin	2,500,000	100
	Director	les enphants Co., Ltd. Representative:Brenda Lin	2,500,000	100
	Director	les enphants Co., Ltd. Representative:Wilson Chen	2,500,000	100
	Supervisor	les enphants Co., Ltd. Representative:Jason Tsai	2,500,000	100
les champions Co., Ltd.	Chairman	Eric Lin	1,140,216	10.98
	Director	Lee Ching yuan	0	0
	Director	Mike and Friends Co., Ltd. Representative: Wilson Chen	3,592,248	3.46
	Supervisor	Bo Tai Ru Investment Co., Ltd. Representative: Johnson Wu	4,100,536	3.95
Shanghai les enphants Children Articles Co., Ltd.	Chairman	L.E. Venture Co., Ltd. Representative:Alex Lin	0	0
	Director	Johnson Wu	0	0
	Director	Eric Lin	0	0
	General Manager	Che-Wei Hsu	0	0
	Supervisor	Jason Tsai	0	0
Beijing les enphants Children Articles Co., Ltd.	Chairman	Suzhou les enphants Children Articles Co., Ltd. Representative: Alex Lin	0	0
	General Manager	Alex Lin	0	0
	Supervisor	Suzhou les enphants Children Articles Co., Ltd. Representative: Che-Wei Hsu	0	0

Name of Corporation	Title	Name or Representative	Shares Held	
			Number of shares	Number of shares
Suzhou les enphants Children Articles Co., Ltd.	Chairman	les enphants Retail Group Co. Limited Representative: Alex Lin	0	0
	Director	les enphants Retail Group Co. Limited Representative: Michael Lee	0	0
	Director	les enphants Retail Group Co. Limited Representative: Eric Lin	0	0
	Director	les enphants Retail Group Co. Limited Representative: Brenda Lin	0	0
	Director	les enphants Retail Group Co. Limited Representative: Wilson Chen	0	0
	General Manager	Che-Wei Hsu	0	0
	Supervisor	Jason Tsai	0	0
Shanghai Le Genius., Co. Ltd.	Chairman	L.E. Genius Co., Ltd. Representative: Mei-Yun Lin	0	0
	Director	L.E. Genius Co., Ltd. Representative: Alex Lin	0	0
	Director	L.E. Genius Co., Ltd. Representative: Wilson Chen	0	0
	Supervisor	Chia-Pei Lin	0	0
	General Manager	Mei-Yun Lin	0	0
PT les enphants (Indonesia) Co., Ltd.	Commissioner	Eric Lin	50	1.41
PT Les Enphants Mitraprima L.E. Capital Enterprise Co., Ltd.	Commissioner	Eric Lin	0	0
Nac Nac Co., Ltd.	Chairman	les enphants Co., Ltd. Representative: Eric Lin	2,020,000	100.00
	Director	les enphants Co., Ltd. Representative: Wilson Chen	2,020,000	100.00
	Director	les enphants Co., Ltd. Representative: Jason Tsai	2,020,000	100.00

Table 3

les enphants Co., Ltd. and its subordinate companies
 Operation summary of affiliate companies
 Year 2024

Unit: Other than the earnings (losses) per share are in NTD, the rest are in NTD thousand

Name of Corporation	Amount of capital	Total Assets	Total Liabilities	Net worth	Operating Revenues	Operating Profits (Loss)	Profits and losses of the current period (After tax)	Earnings Per Share (After tax)
L.E. Capital Enterprise Co., Ltd.	1,587,608	84,158	51,100	33,058	0	0	(252,000)	(5.30)
Mike and Friends Co., Ltd.	25,000	34,030	10	34,020	0	(33)	2,979	1.19
Nac Nac Co., Ltd.	20,200	76,665	69,441	7,224	58,675	(13,011)	(12,976)	(6.42)
L.E. Cayman Co., Ltd.	1,354,101	(60,746)	0	(60,746)	0	0	(258,528)	(0.63)
L.E. Venture Co., Ltd.	1,354,101	(60,746)	0	(60,746)	0	0	(258,528)	(6.26)
L.E. International Co., Ltd.	182,144	67,560	0	67,560	0	0	4,227	0.76
67,80820,7132,56718,146 0(1) (1) 0 1,354,101(60,746)0(60,74 6)00(258,528) (0.63)PT les enphants (Indonesia) Co., Ltd.	67,808	20,713	2,567	18,146	0	(1)	(1)	0
PT les enphants Mitraprima	25,578	45	0	45	0	0	0	0
Shanghai les enphants Children Articles Co., Ltd.	1,449,097	1,843,899	1,695,148	148,751	553,851	3,163	(157,736)	Note 1
Suzhou les enphants Children Articles Co., Ltd.	1,278,615	354,270	1,043,375	(689,105)	929,135	(294,411)	(304,308)	Note 1
Beijing les enphants Children Articles Co., Ltd.	44,780	19,322	194,952	(175,630)	61,661	(14,460)	(16,175)	Note 1
30,70510,260註1les champions Co., Ltd.	103,840	206,041	112,758	93,283	291,145	7,475	8,585	0.83
les enphants Retail Group Co. Limited	1,268,178	192,459	0	192,459	0	0	(415,903)	Note 1

Note 1: Earnings per share of non-limited liability companies cannot be calculated

Note 2: The data in Balance Sheet is translated in the exchange rate as of December 31, 2024 Exchange rate at
 US\$1=NT\$32.785, HKD\$1=NT\$4.222, IDR\$1=NT\$0.00203, RMB\$1=NT\$4.478

Note 3: The data in the income statement was translated by the annual average exchange rate of 2024 Exchange rate at
 US\$1=NT\$32.112, HKD\$1=NT\$4.115, IDR\$1=NT\$0.00204, RMB\$1=NT\$4.454

The companies that shall be included in the consolidated financial statements of affiliated enterprises in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are consistent with the companies that shall be included in consolidated financial statements of parent and subsidiary companies in accordance with IFRS No. 10 for the Company in 2024 (from January 1, 2024 until December 31, 2024). The relevant information that shall be disclosed in the consolidated financial statements of affiliated enterprises is disclosed in the aforementioned consolidated financial statements of parent and subsidiary company. Thus, the Company is not required to prepare consolidated financial statements of affiliated enterprises. The Company is not a subordinated company provided in the Company Act. Therefore, the Company is exempted from preparing affiliation report.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:

Item	2023 First private placement Stock delivery date: 112.5.10 (not yet released)
Types of Private Equity Securities	common stock
Shareholders' meeting approval date and amount	2022.12.30 30,000,000 shares
The basis and reasonableness of the private placement pricing	<p>(1) According to the resolution of the extraordinary meeting of shareholders on December 30, 2022 · It shall be the higher of the following two calculations as the reference price : The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction and the simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.</p> <p>(2) The actual issue price of this private placement is no less than 80% of the above reference price as the basis for determining the private placement price, and the actual pricing date depends on the situation of the specific person and it is proposed to authorize the board of directors to make a decision.</p> <p>(3) Taking the board meeting held on March 23, 2023 as the pricing date, the simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction are 7.39, 7.41 and 7.38; in addition, the simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction is 7.29, and the higher of the above two benchmark calculation prices is set as the reference price. This time the reference price is 7.41, and 6.0 is proposed as the actual private placement price this time, which is 81% of the reference price and not lower than 80% of the reference price resolved by the shareholders' meeting, so the method and conditions for setting the price of this private placement comply with the laws and regulations and should be reasonable.</p>

The method for selecting the specific persons	under Article 43-6 of the Securities and Exchange Act, Article 4, Paragraph 2 of Directions for Public Companies Conducting Private Placements of Securities, and other relevant provisions.			
In the reasons for the necessity for conducting the private placement	The reasons for not using a public offering is that it is not easy to raise funds in the centralized market and the timetable is long. In addition, the board of directors is authorized to handle in stages, which can also improve mobility and flexibility according to the actual needs of the company.			
shares	10,000,000			
The price payment is completed	2023.3.30			
stock delivery date	2023.5.10			
Applicant Information	the placees	qualification	subscription quantities	relationship to the company
	Alex Lin	under Article 43-6 of the Securities and Exchange Act	9,408,000	Chairman of the company
	Tseng Chia-Hung	under Article 43-6 of the Securities and Exchange Act	592,000	Director
Actual issuance price	NT\$6.0 per share			
the discrepancy between the actual issuance price and the reference price	the actual issuance price is 81% of the reference price 7.41			
The effect of the private placement on shareholder equity	It is expected to improve the financial structure, strengthen the company's competitiveness, improve operational efficiency, and have positive benefits for shareholders' equity.			
the status of utilization of the funds, plan implementation progress	NT\$60,000,000 is used to enrich working capital. It is expected to be completed by the second quarter of 2023.			
the realization of plan benefits	It is expected to improve the financial structure, strengthen the company's competitiveness and enhance operational efficiency, which will have a positive impact on shareholders' equity.			

III. Other matters that require additional description: Change general manager.

※ If any of the situations listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, such situations shall be listed one by one: None.

les enfants Co.,Ltd.



Chairman Alex Lin

A handwritten signature in black ink, appearing to read 'Alex Lin', with a long horizontal stroke extending to the right.



Printed on June 2,2025



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