Common Stock Code: 1467

TEX-RAY INDUSTRIAL CO.,LTD.

2024 Annual Report

Printed on May 9, 2025

The Annual Report may be accessed at
1. Market Observation Post System (MOPS): mops.twse.com.tw
2. Company Website: www.texray.com

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IV. CPAs who duly audited the annual financial report for the most recent fiscal year

Firm Name: KPMG in Taiwan

Name of CPA: CPA I-Yun Tsou, CPA Kuo-Yang Tseng

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

VI. The Company’s website at www.texray.com

Table of Contents

	Page No.
One. A Message to Shareholders	1
Two. Corporate Governance Report	15
I. Information of Directors, Supervisors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches	15
II. Remuneration Paid to Directors, Supervisors, Presidents and Vice Presidents, etc., in the Most Recent Year	28
III. Corporate Governance Status	39
IV. Information on CPAs' Fees	135
V. Information on Change of CPAs	136
VI. The Company's Chairman, President and Managerial Officers in charge of its finance and accounting operations holding any positions within the independent audit firm or its affiliates in the most recent year	136
VII. Transfer or pledge of shares owned by directors, supervisors, managerial officers, shareholders with shareholding percentage exceeding 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report	137
VIII. Information on shareholders of top ten shareholding percentages for related parties or spouse, relative relationship within second degree of kinship among themselves	138
IX. Number of shares held by the Company, the Company's directors, supervisors, managerial officers and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories	139
Three. Financing Status	140
I. Capital and Outstanding Shares	140
II. Issuance of Corporate Bond	144
III. Issuance of Preferred Shares	144
IV. Issuance of Overseas Depository Receipts	144
V. Issuance of Employee Stock Warrants	144

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies 144
VII. Implementation of Capital Utilization Plan 144
Four. Operation Overview 145
I. Business Activities 145
II. Overview of Market and Production & Marketing 157
III. Information about the Number of Employees for the Most Recent Two Years 164
IV. Information about Environment Protection Expenditure 164
V. Labor-Management Relations 165
VI. Cyber Security Management 168
VII. Major Contracts 171
Five. Review and Analysis of Financial Status and Financial Performance and Risk Management 172
I. Financial Position 172
II. Financial Performance 173
III. Cash Flow 175
IV. Impact posed by material capital expenditures to business and finance in the most recent year 175
V. The investment policy for the most recent year, major causes for profit or loss thereof, improvements, and investment plans for next year 175
VI. Risk Management 176
VII. Other Important Notes 184
Six. Special Disclosure 184
I. Affiliated Enterprises Related Information 184
II. Private Placement of Securities 184
III. Other Supplementary Notes 184
IV. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders’ equity or security price 184

One. A Message to Shareholders

To All Shareholders:

Thank you for your long-term support and encouragement to the Company. According to the latest World Bank Global Economic Outlook Report, the period from 2020 to 2024 will be the slowest five years of growth since 1990. By the end of 2023, nearly a quarter of developing economies are expected to be poorer than they were before the pandemic in 2019. Affected by multiple factors such as high inflation, high interest rates, and China's post-pandemic economy not as good as expected, global demand for end products will be weak in 2023, which in turn will slow down manufacturing activities in various countries. In addition, the economic sanctions between the United States and China have been expanded (including the ban on chips and rare earth metals). Meanwhile, the Russo-Ukrainian War, the conflict in the Gaza corridor, and the Red Sea crisis have all pushed the global geopolitics to turn against the bloc, which has a negative impact on global economic development and social progress

In the face of the most severe challenges from the external environment in recent years, TEX-RAY has fully adjusted its strategic layout; the production areas in China have been fully reduced, and only the business of self-production of fabrics and the manufacturing base of apparel required for the Chinese market remain. Vietnam's competitiveness gradually declined as basic wages rose. To address this issue, the Company adjusted production layouts in Vietnamese sites, sought strategic cooperation factories for local production, and shifted production bases to other countries. In particular, production capacity in Africa would be gradually increased in order to achieve a stable global production and sales balance.

Despite the challenges faced by the industry's economic outlook, TEX-RAY still relies on its global operation management system to continue to satisfy customer needs, enhance business value, and deepen design and research and development, resulting in the birth of more valuable new products and services. Furthermore, to ensure risk control, a Risk Management Committee was formed to review the Company's risks on a regular basis and keep them within

manageable limits, avoiding unnecessary risks during 2023's challenging economic conditions, such as increased investments or operational expansion. The Company is actively examining its carbon footprint and focusing on product development trends such as technological innovation, safety, comfort, and long-term environmental protection. With the ongoing global focus on environmental protection and green energy, world-renowned brands are increasingly emphasizing the renewal of environmentally friendly and non-toxic textile manufacturing processes, as well as textile product research and development potential. The Company has developed the patented printing instead of dyeing technology, which is more energy-intensive, water-intensive and highly polluting than the traditional dyeing and finishing industry. The printing and dyeing technology provides modern environmental protection solutions; It is hoped that it will bear fruit in 2024.

The Company will prioritize investing resources in the R&D of sustainable and eco-friendly products. With the growing global aging population and rising awareness of health, the market's demand for health care and sports and fitness products has increased; meanwhile, the rapid development of information technology and the global Internet of Things has led to a growth in the demand for smart wearable garment. Company has been devoted to sports and fitness products and long-term care since its early days, it continues to lead the industry in technology and patents. By combining the advantages in electronics, textiles, and other relevant industries, the Company will engage in collaboration with different industries to develop new functional products, and develop diverse applications of textiles for different industries.

The Company’s continuous goals: 1. strengthen the management of the global supply network and the requirements for minimum tariff rate and fast supply, in order to satisfy customers’ need to cut the costs; 2. deepen the regional market, provide more diversified products sellable in the domestic demand market and achieve the business target for economy blockchain; 3. strengthen the ability to R&D and design, optimize the market value and product quality, and increase profit; 4. Strengthen the development of eco-friendly and performance textiles, aiming to innovate technologies and cultivate brands with potential; 5. continue

to streamline organizational framework and operating procedures, guide the units with poor business performance, improve efficiency effectively, and cut costs;

Looking forward to the next year, with the rising geopolitical risks and wars (including the Russo-Ukrainian, Gaza Corridor, Red Sea crises, and conflicts in Armenia and Azerbaijan), central banks in Europe and the US have postponed interest rate cuts due to inflationary pressures It is expected that the performance of the global economy will be bleak compared to 2023. TEX-RAY will adopt a conservative and prudent business strategy, avoiding over-investment, and will adjust operations and production as needed to mitigate operational risks stemming from the global economy. The Company will continue to streamline its organization and, for areas with poor profitability, will consider consolidation and downsizing to improve operational performance. Additionally, it will continue to focus on nurturing potential future businesses. TEX-RAY's core strategy is the unfolding history of fibers, gradually developing from traditional fibers to performance fibers, high-temperature fibers, electronic fibers, and eventually upgrading to smart fibers in the future. Constantly evolving and developing technological fiber products are the Company's mission for sustainability and to create greater benefits for all shareholders.

Wish all of you

good health and happiness!

Ray Lin, Chairman

I. 2024 Business Report

(I) Business plan implementation results

(1) The 2023 consolidated operating revenue was $4,555,351 thousand, a decrease of 25.68% from 2022.

(2) The consolidated loss after tax in 2023 was NT$(165,251) thousand, with the EPS of NT$(0.71). In 2023, the African production areas were affected by China's sales of products at low price and the business operation was shut down due to the boiler installation, resulting in a decrease in the profit and loss in 2023 compared to 2022.

(II) Budget implementation status

The Company did not prepare financial forecasts.

(III) Analysis on financial revenue & expense and profitability

1. Consolidated financial revenue & expense

Unit: NTD Thousand

Item	2023	2024
Operating revenue	4,555,351	5,037,103
Operating cost	3,785,652	3,975,688
Gross profit	769,699	1,061,415
Operating expense	951,294	995,513
Operating income	(181,595)	65,902
Non-operating revenue (expense), net	114,745	108,238
Income before tax	(66,850)	174,140
Net income	(165,251)	79,131
Basic EPS (NT$)	(0.71)	0.46

2. Profitability Analysis

Item		2023	2024
ROA %		(0.83)	2.11
ROE %		(5.40)	2.68
To paid-in capital ratio (%)	Operating income	(7.77)	2.82
	Income before tax	(2.86)	7.45
Profit margin %		(3.63)	1.57
Retroactive adjustment of EPS (NT$)		(0.71)	0.46

(IV) Research and development status

Please refer to page153.

II. 2025 Business Plan Overview

(I) Operating Guideline

The economic performances of various countries in 2024 varied from each other greatly; however, the overall economy was still stable. The US performance data was better than expected, but the performances of Asian and European economies were rather pessimistic. Due to the factors of the Fed's interest rate cut by 0.25% in the U.S., the significant decline in corporate capital cost, stable financial loans, and slowing down of economic growth and increase of wages, the decline in the price of pre-owned vehicles, and the slowdown of price increase in garment and transportation services, have contributed to the gradual slowdown of the overall inflation in the U.S. and the prosperity of the economy in the U.S. In contrast to the vibrant high-tech industry, the performance traditional industries have been rather unsatisfactory. The global economic growth has slowed down in the past year, particularly in China, where the economic recovery was less than expected. The demand for traditional industries has decreased, and the excess capacity has caused price competition. In addition, the promotion of the global net zero emission policy has also forced traditional industries to increase carbon reduction investment, which further increases operating costs and reduces profits. In general, although the global economy has recovered steadily in 2024, the year of 2025 is expected to be full of uncertainties due to the numerous tariff policies imposed by the U.S. government during the end of 2024. In response to the political and economic situation, TEX-RAY has adjusted its global strategic layout, and the production area in China has maintained its previous strategy of focusing on domestic sales and expanding business in the Chinese market. Secondly, due to the continuous introduction of investment to Vietnam, especially Binh Duong Province, with the electronic industry entering the station, basic wages continue to rise, competitiveness gradually weakens, and the Company timely adjusts the production layout in Vietnam production areas. In addition, we further seek other alternatives in the Southeast Asia and South Asia regions. Moreover, we also gradually develop the production capacity to replace

China and Vietnam's production capacity for affordable and long-term products, to achieve a balanced and stable global production and sales. TEX-RAY, with integration of global operations management system completed over the past years, continues to meet customer needs with excellent management capabilities, implement flexible production scheduling, increase business value, and deepen design and research and development, resulting in the birth of more valuable new products and services.

In the face of the unstable tariff policy of the U.S. government, TEX-RAY must maintain a flexible and active strategy to adjust its global strategic deployment. The previous strategy for the China production site will be maintained, and the garment manufacturing production base necessary for the China market will be retained. In addition, as the basic wages in Vietnam continue to rise, the competitiveness is gradually declining. The Company will adjust the production plan in the Vietnam production area in a timely manner, and seeks alternative solutions in other Southeast Asian and South Asian countries. In addition, we will gradually expand the production capacity in the existing African region and will also make adjustment flexibly according to the tariff policy of the U.S market, in order to achieve a global production and sales balance.

Despite the challenges faced by the industry's economic outlook, TEX-RAY still relies on its global operation management system to continue to satisfy customer needs, enhance business value, and deepen design and research and development, resulting in the birth of more valuable new products and services. In response to the domestic ESG requirements, the Company has established the Sustainable Development Committee in 2024. In addition to the effort of carbon footprint inspection, the Company also make technology innovation, safety and protection, comfort and function, and sustainability as the trend for the development of new products. In responding to the concern of environmental protection and green issues all over the world, famous brands of the world have declared environmental protection in a row. They particularly pay their attention to the textile industry to

find out if there is any potential for a new generation of environmental friendly and toxic free production process, research and development, and production capacity. The Company has developed the patented printing instead of dyeing technology, which is more energy-intensive, water-intensive and highly polluting than the traditional dyeing and finishing industry. The printing and dyeing technology provides modern environmental protection solutions. Currently, the equipment will be used to set up the first production line in the Company's African production site during the first half of 2025, and it will be officially put into production in the second half of 2025. It is expected to play a leading role and to generate profit in the future while allowing brands emphasizing environmental protection are able to make contribution to environmental protection jointly.

Looking into the future, 2025 will still be a challenging year. In addition to maintaining the TEX-RAY management team's competitive strength through the "Texray Seamless Value Added Chain (TSVAC)" model, we will also consolidate and adjust the organization to reduce management costs and streamline processes to strengthen communication and synergy across production sites. This approach will effectively lower operating costs, comprehensively improve quality and efficiency, and ultimately generate the maximum value and benefits for our shareholders. We will continue to transform and focus on environmental protection, social responsibility and corporate governance. This impact is critical to the Company's long-term value creation and sustainable development, in order to meet the global requirements for ESG sustainable development. Incorporate long-term business strategies and operational guidelines in order to achieve long-term economic, social and environmental benefits.

(II) Sales volume forecast and the basis thereof, and important production and marketing policy

(1) Sales volume forecast and the basis thereof: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the

Company has not prepared any financial forecast for 2025; thus, there is no information available on sales volume forecast for 2025.

(2) Important production and marketing policy:

1. The Taiwan headquarters aims to enhance its advantages in global operations, continue to develop new categories of customers, increase profits and expand the scale of operations, strengthen the efficiency of internal production and sales coordination, increase procurement bargaining power, and expand the development and business of performance products, as well as invest in R&D and innovation to improve our independent design capabilities and enhance the overall profit of the Company.
2. In response to the domestic market of textile and clothing in China, the Company has adjusted its product categories and actively developed the domestic market, while gradually adjusting its export business contents. In response to the continued increase of tariffs in the US, the Company will cooperate with customers to gradually transfer orders to other production sites for production and manufacturing, in order to reduce the price impact caused by tariffs.
3. In terms of African production regions, the Company successfully penetrated the South African market through one-stop vertical integration services for weaving, dyeing and apparel. The Company will continue to purchase and update machinery and equipment, to introduce the Group's latest printing and dyeing technologies to the African production region, in order to enrich the product categories with more distinctive features, to provide customers with more quality choices for customers, and to contribute efforts in environmental protection and to maintain our competitive advantage at the same time. In addition, we will add production lines to expand the export market in Europe and the U.S., and maintain the competitiveness of the TEX-RAY.
4. For Vietnam production areas, in addition to improving the production efficiency of our plant, we have also sought strategic cooperation factories for

production and manufacturing to continuously expand production capacity and stabilize quality; and in response to the growing number of companies in Vietnam, we timely seek new production bases to avoid loss of competitiveness.

5. As for other businesses, the Company is now focusing on developing new businesses in addition to the aforementioned "King's Metal Fiber Technologies Co. Ltd." One such example is "Taiwan Supercritical Technology Co., Ltd.," which achieved record performance last year. We aim to cultivate a more diverse range of businesses through the Group's resource allocation and injection and diversify operations to mitigate the operational risks associated with over-concentration.

Looking forward to the future, as an enterprise's competitiveness resides in the persistent innovation and R&D, the Company will use the best effort to the development and design of smart clothing, ODM, eco-friendly wet print technique and dope dyeing eco-friendly colorful fiber, research and development of special performance fabric and eco-friendly coated laminated fabric and other applications of new technologies, and also improve its ability to design independently. Meanwhile, the Company will commercialize the results to create higher profit, and orient its development toward the products with larger scale of economy and higher added value, which may help conserve energy and reduce waste in the process, in order to create the maximum value.

(III) The Company's future development strategy, and the effect of external competition, legal environment, and overall business environment.

The textile industry in Taiwan is prone to the impact posed by the global economy. On one hand, it has to deal with the fluctuations in the price of raw materials in the world, the rapid rise in wages in the countries where production sites are located, and foreign exchange rate posing effects to the price; multiple factors disadvantageous to regional economy arose and various countries successively built the wall for protectionism. Also, laws and regulations restricting free trade were emerging. All of these factors kept driving the increase

in the costs of production and manufacturing. On the other hand, the economic growth momentum in developed countries became sluggish generally, and the main competitors, such as Korea, Hong Kong and China, were trying hard to share the saturated market; therefore, the Company had to deal with the pressure from the price war. In response to the increasingly intensifying trade competition in the world, certain major factors are specified as follows:

(1) Effect of external competition:

The main competitors of Taiwan's textile industry include China, Korea, and recently emerging Southeast Asia countries. For the time being, Taiwan's textile industry relies on the strength in "performance textile products" to achieve the market segment based on the products made with high-threshold technologies and, therefore, secures a leading position at the world stage. TEX-RAY Group (the "Group") is used to valuing innovation and R&D, and never falls behind the others with respect to "performance textile products." Currently, performing products under its own brand are considered as an important profit engine for the Company. Further, looking forward to the future, the global textile industry is entering the "smart apparel" era in line with the technological development. As a permanent leader in the field, TEX-RAY is experienced in "smart textiles" for many years and has taken the lead in R&D, design, production and marketing of related products. Therefore, once the demand for such products emerges in the market, such products will inevitably become a star in the market.

(2) Effect of legal environment:

As far as the global garment trading environment is concerned, since quota restrictions are terminated, countries in various regions have successively accelerated the execution of multiple free trade agreements (FTAs) or preferential treatment programs to protect their own import/export interests, and the regional economies emerged therefor (e.g. TPP and RCEP). Notwithstanding, after the US President Trump took office, the USA withdrew from TPP, and then boosted its Protectionism agenda to support the USA's interest as first priority. Recently, it

implemented Special 301 to attack the export sale of China. As a result, the international trade was affected significantly. Recently, the rapid rise in wages, rising environmental protection awareness and emerging laws and regulations disadvantageous to the processing and trade business in China have forced garment manufacturers to leave China and find new production sites again. Vietnam was replaced by the textile industry. As the basic wages in Vietnam continue to rise and the competitiveness is gradually declining, the textile industry has withdrawn from the industry and is looking for investment opportunities in other countries in Southeast Asia. The COP26 (The UN Climate Change Conference in Glasgow) was held in Glasgow, Scotland, UK from October 31 to November 12, 2021, which concluded in the agreement of the Glasgow Climate Pact. This is a commitment to provide better financial resources to the developing countries for helping them to adapt to climate change. In COP 27, the EU has announced the levy of carbon tariff (full name: Carbon Border Adjustment Mechanism) in 2027. In the future, a fee will be charged on commodities without paying the "carbon tax". In addition to actively assessing its carbon footprint, the company is prioritizing product development trends in technological innovation, safety protection, comfort functionality, and long-term environmental protection. Furthermore, adopting new environmentally friendly and non-toxic production methods and textiles will be a proactive step toward the company's long-term development. To deal with the pressure from competition and changes in external laws and regulations, TEX-RAY, when operating its business globally, also adjusted its business strategies resiliently, by analyzing the business strengths of its production sites, following the market trends and maintaining its exist competitive strengths.

1. In Taiwan: As it was affected by political marginalization, it is impossible for the textile industry of Taiwan to enjoy the competitive strength of multi-national cooperative efforts. Therefore, the Company identifies Taiwan as its operating center, strengthening its innovation and R&D of "performance textiles" and "smart apparel" which reflects its competitive strengths rapidly,

and launches its own branded products, remains up to date about market demand, and improves its understanding about the market to feed back the business opportunities all over the world and better serve the brand customers' needs.

2. Production site in China: In addition to the strong domestic demand, the development of RCEP and the Belt and Road Initiative bring about unlimited potential for growth.
3. Production site in Eswatini: The successful transformation to domestic demand market contributes substantial profit to the parent company. Meanwhile, upon return of AGOA in 2018, it may develop another source of profit for the parent company.
4. Production site in North America: Strengthen the connection between the marketing company in the USA and strategic partners in Mexico; emphasize the duty-free fast supply in the US market, work with the brand manufacturers to strive for business opportunities more rapidly, and grow and seek profit through balanced production and marketing;

(3) Effect of overall business environment:

The overall business environment of the textile industry is affected by many factors. Firstly, the fluctuations and uncertainties of the global economy will affect consumers' demand for textiles, which in turn affects the sales and profits of the textile industry. Secondly, changes in international trade policies may have a significant impact on the export market and cost structure of the textile industry. For example, adjustments in tariffs, the signing or dissolution of trade agreements, and tensions between trading partners may all have an impact on the textile industry. In addition, environmental regulations and consumers' concern for sustainability are also forcing the textile industry to adjust its production methods and product designs to meet more stringent standards. Finally, technological innovation and digital transformation are changing the face of the textile industry, affecting production efficiency, product quality and market competitiveness. In general, the

overall business environment of the textile industry is affected by a combination of internal and external factors, and it is necessary to remain flexible in response to changing market conditions. Changes in the external environment are beyond the Company's control. Therefore, it is necessary to strengthen internal management. This year, we will focus on improving production efficiency and factory management, reducing operating costs, actively developing new customers, and diversifying our operation risks in new markets.

The Company will prioritize investing resources in the R&D of sustainable and eco-friendly products. With the growing global aging population and rising awareness of health, the market's demand for health care and sports and fitness products has increased; meanwhile, the rapid development of information technology and the global Internet of Things has led to a growth in the demand for smart wearable garment. Company has been devoted to sports and fitness products and long-term care since its early days, it continues to lead the industry in technology and patents. By combining the advantages in electronics, textiles, and other relevant industries, the Company will engage in collaboration with different industries to develop new functional products, and develop diverse applications of textiles for different industries.

The Company will still use the best effort to 1. strengthen the management of the global supply network and the requirements for minimum tariff rate and fast supply, in order to satisfy customers' need to cut the costs; 2.deepen the regional market, provide more diversified products sellable in the domestic demand market and achieve the business target for economy blockchain; 3. strengthen the ability to R&D and design, optimize the market value and product quality, and increase profit; 4. Strengthen the development of eco-friendly and performance textiles, aiming to innovate technologies and cultivate brands with potential; 5. continue to streamline organizational framework and operating procedures, guide the units with poor business performance, improve efficiency effectively, and cut costs;

Looking forward to the next year, with the rising geopolitical risks and wars (including the Russo-Ukrainian, Gaza Corridor, Red Sea crises, and conflicts in Armenia and Azerbaijan), central banks in Europe and the US have postponed interest rate cuts due to inflationary pressures It is expected that the performance of the global economy will be bleak compared to 2023. The Company will adopt a conservative and prudent business strategy, avoiding over-investment, and will adjust operations and production as needed to mitigate operational risks stemming from the global economy. The Company will continue to streamline its organization and, for areas with poor profitability, will consider consolidation and downsizing to improve operational performance. Additionally, it will continue to focus on nurturing potential future businesses. TEX-RAY's core strategy is the unfolding history of fibers, gradually developing from traditional fibers to performance fibers, high-temperature fibers, electronic fibers, and eventually upgrading to smart fibers in the future. Constantly evolving and developing technological fiber products are the Company's mission for sustainability and to create greater benefits for all shareholders.

Two. Corporate Governance Report

I. Information of Directors, Supervisors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(I) Information about directors and supervisors

2025.04.14

Job title	Nationality or place of domicile	Name	Gender/age	Date elected (appointed)	Term of office	Date first elected	Shareholding when elected		Number of shares currently held		Shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark
							Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job title	Name	Relationship	
Chairman	ROC	Ray Lin	Male/72	2024.06.14	3	1997.11.03	6,000,000	2.67%	6,120,000	2.62%	14,280,000	6.11%	–	–	MSM, Baker University	Legal representative of TEX-RAY investees	President	Lin Tsung-Yi	Father and son	
Vice Chairman	ROC	Yao Wan-Kuei	Male/72	2024.06.14	3	1996.05.14	3,755,137	1.58%	3,830,239	1.64%	93,945	0.04%	–	–	EMBA, National Chengchi University President's Special Assistant, China Man-Made Fiber Corporation	Legal representative of TEX-RAY investees	–	–	–	
Director	BVI	YUEDA Textile Financial Holding Limited		2024.06.14	3	2014.06.27	42,052,440	20.00%	42,052,440	18.00%	–	–	–	–	–	–	–	–	–	
Representative	China	Chang Nei-Wen (Note)	Male/55	2024.06.14	2	2021.11.03	–	–	–	–	–	–	–	–	Prograduate Student from Party School Chairman, Jiangsu Yueda Group Co., Ltd.	–	–	–	–	
Representative	China	Tai Chun	Male/58	2024.06.14	3	2020.09.08	–	–	–	–	–	–	–	–	Chairman, Jiangsu Yueda Textile Group Co., Ltd.	–	–	–	–	
Director	ROC	He Yu	Male/76	2024.06.14	3	2000.06.02	51,912	0.00%	73,912	0.03%	–	–	–	–	Bachelor, John F. Kennedy University Department of International Business Administration Chairman, Seven Pyramid Enterprise Co., Ltd	–	–	–	–	
Director	ROC	Suzhou Weide Co., Ltd.		2024.06.14	3	2019.06.12	23,362,466	9.99%	23,362,466	9.99%	–	–	–	–	–	–	–	–	–	
Representative (Note)	ROC	Yang Chia-Yin	Female/52	2024.06.14	3	2019.06.12	–	–	–	–	–	–	–	–	Chairman, Suzhou Weide Co., Ltd. Director, ZENO APPAREL CO., LTD.	–	–	–	–	
Director	ROC	Lin Tsung-Yi	Male/42	2024.06.14	3															
Independent Director	ROC	Tsai Chao-Lun	Male/75	2024.06.14	3	2018.12.04	0	0.00%	0	0.00%	–	–	–	–	Chairman, FORMOSTAR GARMENT CO., LTD. Director, BES Engineering Inc.	–	–	–	–	
Independent Director	ROC	Chu Hsing-Hua	Male/67	2024.06.14	3	2021.07.12	0	0.00	0	0.00	–	–	–	–	Master of Textile Engineering, Feng Chia University Vice Director-General, Intellectual Property Office, MOEA	–	–	–	–	

Independent Director	ROC	Lin Cheng-Te	Male/70	2024.06.14	3	2021.07.12	17,000	0.00%	10,000	0.00%	–	–	–	–	Department of Business Administration, National Chung Hsing University. Responsible person, ModernTimes Financial Information Co., Ltd.	–	–	–	–	
Independent Director	ROC	Chen Wen-He	Male/70	2024.06.14	3	2024.06.14	0	0.00%	0	0.00%	–	–	–	–	Department of Business Administration, National Chung Hsing University. Responsible person, ModernTimes Financial Information Co., Ltd.	–	–	–	–	

Note: Where the chairman and president or person of an equivalent post (the highest-level manager) of a company are the same person, spouses or relatives within the first degree of kinship, the relevant information explaining the reasons, reasonableness, necessity, and corresponding measures thereof (e.g., by way of increasing the number of independent directors and requiring half of the directors not to serve as employees or managers) shall be given: The chairman and president of the Company are relatives within the first degree of kinship, and the practical experience has been passed on to the son to take over the business. The president starting from the grassroots level and gradually managing the company is indeed reasonable and necessary for holding key positions. To meet the requirements of corporate governance, one independent director has been further added in June 2023. The Chairman and the Vice President concurrently serve as the managerial officers and concurrently perform the duties of the Group's operations and management.

Note: The Board of Directors was re-elected in June 2024. The original seat of Director Kuo Wen-Yen was assumed by Director Lin Tsung-Yi, and the original seat of Independent Director Li Mu-Jung was assumed by Director Chen Wen-He. All the other directors and independent directors remained unchanged.

Table 1. Major Shareholders of Corporate Shareholders

April 15, 2025

Name of Juristic Person Shareholder	Major Shareholders of Juristic Person Shareholders
YUEDA Textile Financial Holding Limited	YUEDA ENTERPRISE GROUP (H.K.) COMPANY LIMITED 100%
Suzhou Weide Co., Ltd.	ZENO APPAREL CO., LTD. 100%

Table 2: Major Shareholders of Judaical Person Listed as the Major Shareholders in Table 1

April 15, 2025

Name of Corporate Shareholder	Major Shareholder of Corporate Shareholder
YUEDA ENTERPRISE GROUP (H.K.) COMPANY LIMITED	Jiangsu Yueda Group Co., Ltd. 100%
ZENO APPAREL CO., LTD.	Yang Chia-Yin

(II) Information of directors (including independent directors) and independence

Information of directors and supervisors (II)

I. Disclosure of directors' and supervisors' qualifications and independent directors' independence:

Qualifications / Name	Professional qualifications and experience	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director.
Ray Lin	* Possessing practical experience in the textile industry * Possessing capabilities of operational judgment, business management, policymaking, and crisis management, as well as decision-making capabilities to comprehend national trends and lead the company toward globalization * MSM, Baker University, USA; Chairman, TEX-RAY Industrial Co., Ltd.	1. Concurrently serving as the Company's CEO, a managerial officer. 2. Concurrently serving as the director of the Company's affiliated companies. 3. Top ten natural-person shareholders of the Company and not an independent director. 4. The remaining meets the independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC).	July 2021 Elected as the independent director of Taiwan Glass
Yao Wan-Kuei	* Possessing practical experience in the textile industry * Possessing capabilities of operational judgment, business management, decision-making, and crisis management * EMBA, National Chengchi University; Vice Chairman, TEX-RAY Industrial Co., Ltd.	1. Concurrently serving as the Company's Deputy CEO, a managerial officer. 2. Concurrently serving as the director of the Company's affiliated companies. 3. Top ten natural-person shareholders of the Company and not an independent director. 4. The remaining have been verified in accordance with the independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC) and still meet the relevant independence criteria.	None
Chang Nei-	* Possessing rich financial	1. Yueda Textile Financial Holding	None

Qualifications / Name	Professional qualifications and experience	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director.
Wen	experience, good at financial management and risk control planning, and with capabilities of risk management and business management * Postgraduate of Jiangsu Party School; Chairman, Jiangsu Yueda Group Co., Ltd; Senior CPA	Limited (BVI), an institutional shareholder holding more than 5% of the Company's issued shares, is the Company's largest shareholder. 2. Serving as its designated representative, Mr. Chang was elected as a director. 3. The remaining meets the independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC).	
Tai Chun	* Possessing practical experience in the textile industry * Possessing capabilities of operational judgment, business management, decision-making, and crisis management * Master of Fudan University; Chairman, Jiangsu Yueda Textile Group Co., Ltd.	1. Yueda Textile Financial Holding Limited (BVI), an institutional shareholder holding more than 5% of the Company's issued shares, is the Company's largest shareholder. 2. Serving as its designated representative, Mr. Tai was elected as a director. 3. The remaining meets the independence criteria set forth in Article 3, paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC).	None
He Yu	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * Bachelor's Degree in International Business Administration, John F. Kennedy University, California; Chairman, Seven Pyramid Enterprise Co., Ltd.; Chairman, Seven Praise	1. Director He currently serves as a natural person director. 2. He also meets the independence requirements of the competent authorities during the two years prior to the nomination and during the term of office and meets the independence criteria set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public	None

Qualifications / Name	Professional qualifications and experience	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director.
	Optical Industry Co., Ltd.	Companies" promulgated by the Financial Supervisory Commission (FSC). During his tenure as a director, he has independently exercised the relevant functional duties in compliance with the rights granted to fully participate in decision-making and to express opinions under Article 14-3 of the Securities and Exchange Act.	
Yang Chia-Yin	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * Southern Illinois University; Director, Zeno Apparel Co., Ltd.	1. Suzhou Weide Co., Ltd., an institutional shareholder holding more than 5% of the Company's issued shares, is the Company's second largest institutional shareholder. 2. Serving as its designated representative, Director Yang was elected as a director. 3. The remaining have been verified in accordance with the independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC) and still meet the relevant independence criteria.	None
Lin Tsung-Yi	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * University of New Haven	1. Concurrently serving as the Company's President, a managerial officer. 2. Concurrently serving as the director of the Company's affiliated companies. 3. Top ten natural-person shareholders of the Company and not an independent director. 4. The remaining have been verified in accordance with the independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters	None

Qualifications / Name	Professional qualifications and experience	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director.
		for Public Companies" promulgated by the Financial Supervisory Commission (FSC) and still meet the relevant independence criteria.	
Tsai Chao-Lun	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * MBA, University of Wisconsin, USA; Chairman, Formostar Garment Co., Ltd.; Director, BES Engineering Co.	According to the provisions of the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles," directors are elected through a candidate nomination system. During the nomination and selection of the Board members, the Company has obtained written statements, work experience, and proof of current employment from each director to verify the independence of themselves, spouses, and relatives within the third degree of kinship in relation to the company. The Company has verified that the four independent directors listed on the left have met the qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission (FSC) during the two years prior to the nomination and during the term of office. Also, the independent directors have independently performed their relevant functional duties in compliance with the rights	None
Chu Hsing-Hua	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * Master of Textile Engineering, Feng Chia University; Deputy Director General, Intellectual Property Office, MOEA; Director, Taiwan Textile Research Institute; Adjunct Associate Professor, Oriental Institute of Technology		None
Lin Cheng-Te	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management *Department of Business Administration, National Chung Hsing University. *Chairman, Modern Times Financial Co., Ltd.		None

Qualifications / Name	Professional qualifications and experience	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director.
Chen Wen-He	* Possessing rich industry experience and capabilities of operational judgment, business management, and crisis management * Graduated from Department of Business Administration, Chung Yuan Christian University * Equipped with CPA qualification	granted to fully participate in decision-making and to express opinions under Article 14-3 of the Securities and Exchange Act.	Independent Director, G-TECH Optoelectronics Corporation

None of the Company's 11 directors (including 4 independent directors) are under any circumstances specified in the subparagraphs of Article 30 of the Company Act.

II. Diversity and Independence of Board of Directors:

(I) Board Diversification: Describe the Board diversification policy, goals, and achievement. The Board of Directors' diversity policy includes without limitation to the directors' election criteria, professional qualifications and experience required from the Board of Directors, and the composition or percentage of gender, age, nationality and culture. Please also specify the Company's specific goals for said policy, and achievement thereof.

According to Article 20 of the Company's Corporate Governance Best Practice Principles and Article 3 of Regulations for Election of Directors, the Board members shall generally possess the knowledge, skills, and attainment necessary to perform their duties. The Board of Directors shall possess overall capabilities of operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market insights, leadership, and decision-making. The composition of the Board of Directors should take into account diversification and formulate a diversity policy for Board members based on the needs of the company's operations, business model, and future development trends, including basic criteria and values

(gender, age, nationality, and culture), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology), and so on. The Company advocates and respects the directors diversity policy. To strengthen corporate governance and promote the sound development of the composition and structure of the Board, we believe that a diversity policy will help enhance the overall corporate performance. The Board members are selected based on the talent concept. The members are specialized in cross-industry fields with the abilities to complement, industrial experience and related skills, and also the ability to make business judgment, the ability to manage business, leadership and decision making, and the ability to manage crisis. To strengthen the function of the Board of Directors and achieve the ideal goal of corporate governance, The Company's existing Board diversity policy and implementation status thereof: The Company appoints 11 directors (including 4 independent directors), out of whom a director is female. The Board consists of the directors with the professional knowledge, skills and experience in finance, business and legal affairs as required by the Company's operations, as elected in accordance with the Company's Regulations for Election of Directors. Among them, the director Chang Nai-Wen and independent director Chen Wen-He are both CPAs, while independent director Chu Hsing-Hua has a qualification as a university professor in a textile-related field, providing professional opinions for corporate decision-making.

	Diversity Policy											
Name	Nationality	Gender	Assuming the role of the Company's employee concurrently	Age	Business management	Financial accounting	Business judgment	Industry-academia experience	Crisis management.	International market perspective	Leadership	Legal profession or CPA qualification
Ray Lin	ROC	Male	Yes	A	V		V	V	V	V	V	
Yao Wan-Kuei	ROC	Male	Yes	A	V	V	V	V	V	V	V	
Chang Nei-Wen	China	Male		C	V	V	V	V	V	V	V	V
Tai Chun	China	Male		C	V	V	V	V	V	V	V	
He Yu	ROC	Male		A	V		V	V	V	V	V	
Yang Chia-Yin	ROC	Female		D	V		V	V	V	V	V	
Lin Tsung-Yi	ROC	Male	Yes	D	V		V	V	V	V	V	
Tsai Chao-	ROC	Male		A	V		V	V	V	V	V	

Lun												
Chu Hsing-Hua	ROC	Male		B	V		V	V	V	V	V	V
Lin Cheng-Te	ROC	Male		A	V	V	V	V	V	V	V	V
Chen Wen-He	ROC	Male		C	V	V	V	V	V	V	V	V

Note 1: A for more than 70 years old, B for more than 60 years old, C for more than 50 years old, D for less than 50 years old

Note 2: The total of 11 directors (including independent directors) all assume the position or director (chairman of board) or unit supreme management in other companies and, therefore, shall be considered holding the expertise and experience sufficient to serve as the Company's directors. Meanwhile, all of them would provide the Company with professional opinions based on their expertise and experience.

The specific management objectives and achievements of the Company's diversity policy are as follows

Management Goal	Achievement
At least one-third of the directors have expertise in the textile industry, marketing, or business management	Achieved
At least one-third of the independent directors have expertise in law, financial accounting, or crisis management	Achieved

(II) Independence of the Board of Directors: Please specify the number and percentage of independent directors, and also explain that the Board of Directors is functioning independently, attached with the reasons to explain whether the circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act are met or not, and also the statement about the relationship, such as spouse or relative within the second degree of kinship, between directors, supervisors, or directors and supervisors. Among the 11 directors, there are 4 independent directors, accounting for 36.36% of all directors. Each director participates in the Board's operations based on his/her profession independently. Chairman Ray Lin and Director Yi Lin are in a direct relative relationship with each other among the 11 seats of directors, and the others have no relationship with each other. Director Lin Tsung-Yi has served as the Company's manager and now acts as a director for the succession plan in the future.

All independent directors meet the criteria set by the Financial Supervisory Commission (FSC) concerning independent directors, and their independence is shown as follows:

Name	Whether the independent director, spouse, or relatives within the second degree of kinship serving as directors, supervisors, or employees of the Company or affiliated companies	The number and proportion of the company's shares held by the independent director, spouse, or relatives within the second degree of kinship (or by nominees)	Whether serving as a director, supervisor, or employee of companies that have a specific relationship with the Company	The amount of remuneration received for providing commerce, legal, finance, accounting, and other services to the Company or its affiliated companies in the last two years
Tsai Chao-Lun	No	None.	No	None.
Chu Hsing-Hua	No	None.	No	None.
Lin Cheng-Te	No	None.	No	None.
Chen Wen-He	No	None.	No	None.

(III) Information About Presidents, Vice Presidents, Assistant Vice Presidents, Managers of All the Company's Divisions and Branch Units

2025.04.15

Job title	Nationality	Name	Gender	Date elected (appointed)	Shares held		Shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as managers			Remark (Note 1)
					Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job title	Name	Relationship	
Chairman and CEO	ROC	Ray Lin	Male	1997.11.03	6,120,000	2.62	14,280,000	6.11	-	-	MSM, Baker University	Legal representative of investees	Vice President	Yeh Feng-Ying	Spouse	Note
													President	Lin Tsung-Yi	Father and son	
													Vice President	Lin Tsung-Han	Father and son	
Vice Chairman and Vice CEO	ROC	Yao Wan-Kuei	Male	1996.05.14	3,830,239	1.64	93,945	0.04	—	—	EMBA, National Chengchi University President's Special Assistant, China Man-Made Fiber Corporation	Legal representative of investees	—	—	—	
Director, President and Chief Sustainability Officer	ROC	Lin Tsung-Yi	Male	2018.05.11	4,470,000	1.91%	—	—	—	—	University of New Haven	Representative of investees	Chairman	Ray Lin	Father and son	
Vice President	ROC	Yeh Feng-Ying	Female	90.01.01	14,280,000	6.11%	6,120,000	2.62%	—	—	National Keelung Commercial & Industrial Vocational Senior High School graduate	—	Chairman	Ray Lin	Spouse	
Vice President, Apparel Business Division	ROC	Chang Chin-Huei	Male	2019.08.12	981	0.00%	—	—	—	—	Kuang Wu Industry and Commerce Junior College graduate	—	—	—	—	
Vice President, Fabric Business Unit	ROC	Lin Tsung-Han	Male	101.06.05	4,470,000	1.91%	—	—	—	—	University of Newhampshire	—	Chairman	Ray Lin	Father and son	
President, Eswatini Business Division	ROC	Tseng Chih-Yen	Male	2021.01.01	—	—	—	—	—	—	Bachelor's Degree in Finance, Shih Chien University	—	—	—	—	
Financial Manager Accounting Manager	ROC	Wu Chien-Chung	Male	2018.05.11	0	0.00%	—	—	—	—	Bachelor, Department of Accounting, Chung Yuan Christian University Audit Manager, KPMG in Taiwan Senior Manager, Radium Group	Supervisor of investees	—	—	—	

Note: If the Company's Chairman and President or the supreme management of the Company are the same person, spouses or relatives within the first degree of kinship with each other, please disclose the reason, rationality, necessity and responsive measures. The Chairman's four family members all assume important positions in the Company. The Chairman transfers his practical experience to his sons who are designated as his successors. The four family members are included in the Top 10 shareholders of the Company. Two out of the four managers started to work in the Company as entry-level employees, and were once expatriated overseas. Therefore, they know the Company's overall operations very well and it is reasonable and also necessary for them to assume the important positions in the Company. Consequential to the Company's overall business operations

In order to comply with the regulations of the competent authority, an independent director was added by-elected in June 2023. At present, only the three directors of the Chairman, Vice Chairman Yao and Director Lin Tsung-Yi have served concurrently as employees or managerial officers, and no more than half of the directors and independent directors have served concurrently as employees or managers. The remaining directors and independent directors have provided valuable opinions in different ways in their professional fields to professional managers for reference.

II. Remuneration Paid Directors (Including Independent Directors), Presidents and Vice Presidents in the Most Recent Fiscal Year

(I) Compensation to directors (including independent directors)

Unit: NTD Thousand; December 31, 2024

Job title	Name	Compensation to directors								Total remuneration (A+B+C+D) and its ratio to net income (%) (Note 10)		Employee compensation received by directors								Total remuneration (A+B+C+D+E+F+ G) and its ratio to net income (%) (Note 10)		Compensation from investees other than subsidiaries or from the parent company (Note 11)
		Return (A) (Note 2)		Retirement Pension (B)		Remuneration to directors (C) (Note 3)		Professional practice fees (D) (Note 4)				Salary, bonus and special allowance, et al. (E) (Note 5)		Retirement Pension (F)		Remuneration of employees (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Ray Lin	1,000	1,000	0	0	221	1,132	48	96	1,269/ 1.17	3,078/ 2.84	2,600	2,600	0	0	0	0	0	0	3,869/ 3.57	5,678/ 5.24	0
Vice Chairman	Yao Wan-Kuei	700	700	0	0	147	147	48	48	895/ 0.83	895/ 0.83	2,532	3,140	108	144	0	0	0	0	3,535/ 3.26	4,180/ 3.86	0
Director	Chang Nei-Wen (Note) Representative of YUEDA Textile Financial Holding Limited (BVI)	0	0	0	0	74	74	54	54	128/ 0.12	128/ 0.12	0	0	0	0	0	0	0	0	128/ 0.12	128/ 0.12	0
Director	Tai Chun Representative of YUEDA Textile Financial Holding Limited (BVI)	0	0	0	0	74	74	54	54	128/ 0.12	128/ 0.12	0	0	0	0	0	0	0	0	128/ 0.12	128/ 0.12	0
Director	Lin Tsung-Yi	0	0	0	0	74	334	24	90	98/ 0.09	424/ 0.39	5,411	5,681	108	124	0	0	0	0	5618/ 5.18	6230/ 5.79	0
Director	He Yu	0	0	0	0	74	74	48	48	122/ 0.1	122/ 0.1	0	0	0	0	0	0	0	0	122/ 0.1	122/ 0.1	0
Director	Representative of Suzhou Weide Co., Ltd.: Yang Chia-Yin	0	0	0	0	74	74	48	48	122/ 0.1	122/ 0.1	0	0	0	0	0	0	0	0	122/ 0.1	122/ 0.1	0
Independent Director	Tsai Chao-Lun	800	800	0	0	0	0	48	48	848/ 0.78	848/ 0.78	0	0	0	0	0	0	0	0	848/ 0.78	848/ 0.78	0
Independent Director	Chu Hsing-Hua	800	800	0	0	0	0	48	48	848/ 0.78	848/ 0.78	0	0	0	0	0	0	0	0	848/ 0.78	848/ 0.78	0
Independent Director	Lin Cheng-Te	400	400	0	0	0	0	48	48	448/ 0.41	448/ 0.41	0	0	0	0	0	0	0	0	448/ 0.41	448/ 0.41	0
Independent Director	Chen Wen-He	400	400	0	0	0	0	18	18	424/ 0.39	424/ 0.39	0	0	0	0	0	0	0	0	424/ 0.39	424/ 0.39	0
Subtotal		4,100	4,950	0	0	738	1,906	480	606	5,318/ 4.91	7,465/ 6.89	10,543	11,421	216	269	0	0	0	0	16,077/ 14.84	19,156/ 17.68	0

*Compensation received by directors for providing service to any company included in the Financial Statements (e.g. consultancy service without the title of an employee) in the most recent year except those disclosed in the above table: None.

1. Please describe the policy, system, standards and structure of the remuneration for independent directors, and the linkage to the amount of remuneration based on the responsibilities, risks, time invested and other factors: In accordance with the Company's "Rules on the Scope of Powers of Independent Directors" and the Company's Articles of Incorporation, in order to enable independent directors to exercise their functions and maintain their independence from the Board of Directors and Company operations, the Company's remunerations to independent directors, regardless of the Company's operating losses, may be paid on a quarterly basis, and the level of participation and the value of contribution will be adjusted as appropriate. The Company's independent directors do not participate in the distribution of directors' remuneration and other bonuses.

2. Other than the disclosure in the above table, remuneration to the Company's directors for providing services (such as serving as a consultant to the parent company/all companies included in the financial statements/investees who are not employees) in the most recent year: None

Remuneration range table

Breakdown of compensation to directors	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Less than NT$1,000,000	Yao Wan-Kuei, He Yu, Chang Nai-Wen, Tai Chun, Lin Tsung-Yi, Yang Chia-Yin, Tsai Chao-Lun, Chu Hsing-Hua, Lin Cheng-Te, Chen Wen-He	Yao Wan-Kuei, He Yu, Chang Nai-Wen, Tai Chun, Lin Tsung-Yi, Yang Chia-Yin, Tsai Chao-Lun, Chu Hsing-Hua, Lin Cheng-Te, Chen Wen-He	He Yu, Chang Nai-Wen, Tai Chun, Lin Tsung-Yi, Yang Chia-Yin, Tsai Chao-Lun, Chu Hsing-Hua, Lin Cheng-Te, Chen Wen-He	He Yu, Nai-Wen-He Chang, Tai Chun, Tsai Chao-Lun, Chu Hsing-Hua, Lin Cheng-Te, Chen Wen-He
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Ray Lin			
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)		Ray Lin		
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)			Ray Lin, Yao Wan-Kuei	Yao Wan-Kuei
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)			Lin Tsung-Yi	Lin Tsung-Yi ,Ray Lin
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)				
More than NT$100,000,000				
Total	11	11	11	11

Note 1: Director Chang Nei-Wen and Tai Chun are representatives of Yueda Textile Financial Holding Limited (BVI).

Note 2: The remuneration to directors in the most recent year (including director's salary, duty allowance, severance pay, bonus and reward, et al.).

Note 3: The amount of directors' remuneration that the Board has approved as part of the latest earnings appropriation.

Note 4: The professional practice fees for services rendered in the most recent year (including travel allowances, special allowances, various allowances, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other subsidies. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries.

Note 5: Any salaries, duty allowances, severance pay, bonuses, rewards, travel allowances, special allowances, various allowances, accommodation, corporate vehicles and other in-kind benefits that the director received in the most recent year for assuming the role of the Company's employee concurrently (including President, Vice President, other managers and employees). Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other subsidies. Where personal drivers were

allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 6: If the directors who acted as employees concurrently (including President, Vice President, other managers and employees) received employee remuneration (including stocks and cash) in the most recent year, please disclose the employee remuneration approved by the Board of Directors prior to the motion for earnings distribution submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 7: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's directors.

Note 8: The aggregate of the compensation to directors by the Company, and the names of such directors, should be disclosed in the relevant space of the table.

Note 9: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each director, which shall include the director's name disclosed in the relevant space of the table.

Note 10: The net profit after tax refers to that shown in the most recent parent company only or separate report. If IFRSs have been adopted, the net profit after tax shall refer to that shown in the most recent parent company only or individual financial report.

Note 11: a. This field represents all forms of compensation the Company's directors have received from the Company's invested businesses other than subsidiaries.

b. For the Company's directors who receive compensation from invested businesses other than subsidiaries, amounts received from these invested businesses shall be added to column I of the Compensation Scale Table, in which case, column I will be renamed "all invested businesses."

c. The compensation refers to any return or remuneration (including remuneration received as an employee, director and supervisor) and professional practice fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

(II) Compensation Paid to Presidents and Vice Presidents

Unit: NTD Thousand

Job title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonuses and allowances (C) (Note 3)		Remuneration to employees (D) (Note 4)				Total remuneration (A+B+C+D) and its ratio to net income (%) (Note 8)		Compensation from investees other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman and CEO	Ray Lin	11,188	16,489	544	814	11,190	11,190	0	0	0	0	22,922/ 21.16	28,493/ 26.30	0
Vice Chairman and Vice CEO	Yao Wan-Kuei													
President and Chief Operating Officer (COO)	Lin Tsung-Yi													
Vice President	Yeh Feng-Ying													
Vice President	Chang Chin-Huei													
Vice President	Lin Tsung-Han													
President, Eswatini Production Site	Tseng Chih-Yen													

Range of remunerations to each President and Vice President of the Company	Name of President and Vice President	
	The Company (Note 6)	All Companies included in the financial statements (Note 7) E
Less than NT$1,000,000		
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Yeh Feng-Ying	Yeh Feng-Ying
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)	Ray Lin, Yao Wan-Kuei, Lin Tsung-Han	Ray Lin, Yao Wan-Kuei, Lin Tsung-Han
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	Chih-Yen Tseng, Chin-Huei Chang	Chih-Yen Tseng, Chin-Huei Chang
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	Lin Tsung-Yi	Lin Tsung-Yi
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)		
More than NT$100,000,000		
Total	8	8

Note 1: The salary, duty allowance and severance paid to Presidents and Vice Presidents in the most recent year.

Note 2: The bonuses, rewards, travel allowances, special allowances, various allowances, accommodation, corporate vehicles and other in-kind benefits, and other returns to Presidents and Vice Presidents in the most recent year. Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other subsidies. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 3: Please disclose the employee remuneration to Presidents and Vice Presidents who acted as employees concurrently (including stocks and cash) approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3. The net profit after tax refers to that shown in the most recent parent company only or separate report. If IFRSs have been adopted, the net profit after tax shall refer to that shown in the most recent parent company only or individual financial report.

Note 4: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's Presidents and Vice Presidents.

Note 5: The aggregate of the compensation to each President and Vice President by the Company, and the names of such Presidents and Vice Presidents, should be disclosed in the relevant space of the table.

Note 6: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each President and Vice President which shall include the name of such President and Vice President disclosed in the relevant space of the table.

Note 7: The net profit after tax refers to that shown in the most recent parent company only or separate report. If IFRSs have been adopted, the net profit after tax shall refer to that shown in the most recent parent company only or individual financial report.

Note 8: a. This field represents all forms of compensation the Company's Presidents and Vice Presidents have received from the Company's invested businesses other than subsidiaries.

b. For the Company's Presidents and Vice Presidents who receive compensation from invested businesses other than subsidiaries, amounts received from these invested businesses shall be added to column E of the Compensation Scale Table, in which case, column E will be renamed "all invested businesses."

c. The compensation refers to any return or remuneration (including remuneration received as an employee, director and supervisor) and professional practice fees which the Company's Presidents and Vice Presidents received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

(III) Compensation to Top 5 senior managers (individual disclosure by name and amount): (Note 1) Unit NTD Thousand

Job title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special disbursement (C) (Note 3)		Remuneration to employees (D) (Note 4)				Total of four items of A+B+C+D as a percentage of net income after tax (Note 6)		Compensation from investees other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Lin Tsung-Yi	3,091	3,361	108	124	2,320	2,320	-	-	-	-	5,519/ 5.09	5,535/ 5.11	-
President, Eswatini Production Site	Tseng Chih-Yen	1,477	1,477	91	91	2,700	2,700	-	-	-	-	4,267/ 3.94	4,267/ 3.94	-
Vice President	Chang Chin-Huei	1,800	1,800	108	108	1,400	1,400	-	-	-	-	3,308/ 3.05	3,308/ 3.05	-
Director and Vice CEO	Yao Wan-Kuei	1,332	1,940	108	145	1,200	1,200	-	-	-	-	2640/ 2.44	2,677/ 2.47	-
Chairman and CEO	Ray Lin	1,400	1,400	-	-	1,200	1,200	-	-	-	-	2600/2.40	2600/2.40	

Note 1: The "Top 5 Senior Managers" refer to the Company's management. The standards governing identification the management shall be subject to the requirements applicable to the "management" referred to in the letter of Securities and Futures Commission, Ministry of Finance under Tai-Cai-Zhen-San-Zi No. 0920001301 dated March 27, 2003. The principles for calculating the remuneration to the "top 5 senior managers" are based on the total of the Salaries, Retirement Pension, Bonuses and Special Allowances received by the managers from the companies included into the consolidated financial companies and the employment remuneration received by them (namely, the sum of A+B+C+D). Then, the top 5 senior managers are identified as the top 5 managers receiving the highest compensation in order. Any directors who serve as said managers concurrently shall be disclosed in this table and said Table (1-1).

Note 2: The salary, duty allowance and severance paid to the top 5 senior managers in the most recent year.

Note 3: Refers to various bonuses, rewards, transportation fees, special disbursement, various allowances, accommodation, company car and physical offers etc. as well as other remuneration amounts for the officers of top five highest remunerations in the most recent year. Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other subsidies. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 4: Please disclose the employee remuneration to the top 5 senior managers who acted as employees concurrently (including stocks and cash) approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's top 5 senior managers.

Note 6: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 7: a. This field represents all forms of remuneration that the officers of top five highest remunerations received from the Company's parent company or invested businesses other than subsidiaries (specify "None" if absent).

(IV) Names of managers receiving employee bonus, and state of distribution

December 31, 2024

	Job title	Name	Amount in stock	Amount in cash	Total	The sum as percentage of net profit after tax (%)
Manager (Note)	Chairman and CEO	Ray Lin	0	0	0	0
	Vice Chairman and Vice CEO	Yao Wan-Kuei				
	President	Lin Tsung-Yi				
	Vice President	Yeh Feng-Ying				
	Vice President	Chang Chin-Huei				
	Vice President	Lin Tsung-Han				
	President, Eswatini Production Site	Tseng Chih-Yen				

Note: No employee bonus was distributed in 2023, and senior management gave up their participation in the distribution of employee bonus.

(V) The compensation paid by the Company and all companies included in the consolidated financial statements to the directors, supervisors, Presidents and Vice Presidents in the last two fiscal years, the analysis of the percentage of total compensation to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operation performance and future risk.

Job title	2023		2024	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	7,645/(4.61)	8,445/(5.10)	16,076/14.84	19,156/17.68
President and Vice President	19,013/(11.47)	20,350/(12.28)	22,922/21.16	28,493/26.30

1. The total remuneration of directors, Presidents and Vice Presidents of the Company in 2024 is more than that in 2023, and it was mainly due to that the Company turned from a deficit in 2024 to a profit. The directors were re-elected, and among them, Chairman Ray Lin and Vice Chairman Yao Wan-Kuei and Director Lin Tsung-Yi (concurrently served as the President) are concurrently serving as senior managerial officers, and for the successor plan, the remuneration is equivalent to the standard adopted in the industry.
2. The policy, standard and combination of remuneration:

(1) The Company has established the Remuneration Committee to evaluate the remuneration policies and systems of the Company's directors and managers, and make recommendations to the Board of Directors for its reference in decision-making.
(2) In accordance with Article 25 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration of directors (including independent directors) in accordance with the level of their participation in the operation of the Company and the value of their contribution, and with reference to the usual standards of the industry. In case of profit in the current year, the Company shall appropriate no more than 2% of the profit before tax as the remuneration of directors in accordance with Article 31 of the Company's Articles of Incorporation. The fixed remuneration (payable once a quarter) is determined by the board of directors for independent directors, and they do not participate in the company's earnings distribution.
(3) The directors who provide endorsements/guarantees are paid a fixed salary. Generally, the directors only receive transportation allowances and no salary. The Chairman, the Vice Chairman and the President concurrently perform the duties of the Group's operations and management, and receive fixed monthly salary.
(4) The remuneration policy for the Company's employees is determined based on individual work experience, job responsibilities, work ability and performance, the Company's financial and operating conditions, and is positively related to operating performance, and in accordance with Article 31 of the Company's Articles of Incorporation, 2% of the pre-tax profit shall be appropriated as employee remuneration.
(5) The remuneration policy for the Company's managerial officers, including salary and bonus Resolved by the Board of Directors; bonuses are determined based on the Company's profitability in the current year, with reference to their duties, contributions, the achievement rate of performance targets, and the Company's operating performance of the year; they are reviewed by the Remuneration Committee and sent to the Board of Directors for resolution.

3. Procedures for determining remuneration:
(1) The performance of directors and managers is evaluated in accordance with the "Regulations Governing Performance Evaluation of the Board of Directors" and the "Regulations Governing Performance" applicable to managers and employees. For their remuneration, refer to the Company's overall operating performance, In addition, the Company also provides reasonable remuneration with reference to the individual's performance achievement rate and contribution to the Company; the relevant performance appraisal and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board

of Directors, and may be subject to (On November 11, 2024, the Remuneration Committee held a discussion on the policies, systems and standards of directors' and managers' remuneration and remuneration, and the current remuneration regulations still meet the needs of the Company's operations), and consider the reasonable trend of the current corporate governance to seek a balance between the sustainable operation of the Company and risk control. The performance evaluation indicators of directors are divided into five major items: 1. Participation in the Company's operations; 2. Improvement of the quality of decision-making by the Board of Directors; 3. Composition and structure of the Board of Directors; 4. Selection and continuous revision of directors; and 5. Internal control. Manager performance evaluation indicators are divided into two major categories. 1. Financial indicators: Based on the Company's management income statement, the contribution of each business group to the Company's profits is allocated, and taking into account the target achievement rate of managers; 2. Non-financial indicators: Implementation of the Company's core values, operational management capabilities, and participation in sustainable operations (1) Implementation of the Group’s sustainability policy, including but not limited to greenhouse gas inventory and certification, low-carbon manufacturing transformation, climate risk and opportunity management. (Performance ratio of 5%) (2) ESG major topic response and adaptation, including but not limited to corporate governance, legal compliance, talent cultivation and development, occupational safety and health, energy management, supplier management. (Performance ratio 3%) (3) Continue to optimize the two major indicators including ESG risk management (performance ratio 2%).

(2) Based on the Company's 2024 performance self-assessment results for the Board of Directors, members of the Board of Directors, and members of functional committees as "meeting the standards"; also, according to the Company's 2024 managerial performance assessment results, the performance of all managers has met the standards. The remuneration of managerial officers has fully considered their professional ability and the Company's operational and financial status, and is linked to the Company's overall operational performance, individual performance target management, and evaluation results.

4. Correlation with operating performance and future risks: The review of the relevant payment standards and systems takes the overall operation of the Company as the main consideration, and determines the payment standard based on the performance achievement rate and contribution, in order to improve the overall managing team effectiveness of the Board of Directors and management departments. In addition, reference is made to the remuneration standards in the industry to ensure that the remuneration of the Company's management is

competitive in the industry, in order to retain outstanding management talents. The Company's operating results are linked to the management's performance and remuneration, which are positively promoting the overall performance of the Company, thereby achieving the maximization of shareholders' interests. Important decisions by the Company's management are made after taking into account various risk factors. The performance of the relevant decisions is reflected in the Company's profitability, which in turn is related to the remuneration of the management.

III. Corporate Governance Status:

(I) Functionality of Board of Directors:

A total of six (A) Board meetings were held in the most recent fiscal year. The attendance of the directors is as follows:

Job title	Name	Actual presence (attendance) (times) B	Presence by proxy (times)	Actual presence (attendance) rate (%)【B/A】	Remark
Chairman	Ray Lin	6	0	100	
Vice Chairman	Yao Wan-Kuei	6	0	100	
Director	Chang Nei-Wen	6	0	100	Representative of YUEDA Textile Financial Holding Limited (BVI) Discharged upon reelection at the shareholders' meeting in June 2024
Director	Tai Chun	6	0	100	
Director	Kuo Wen-Yen	3	0	100	
Director	He Yu	6	0	100	
Director	Yang Chia-Yin	6	0	100	Representative of Suzhou Weide Co., Ltd.
Director	Lin Tsung-Yi	3	0	100	Elected after the reelection at the shareholders' meeting in June 2024
Independent Director	Tsai Chao-Lun	6	0	100	
Independent Director	Li Mu-Jung	3	0	100	Discharged upon reelection at the shareholders' meeting in June 2024
Independent Director	Chu Hsing-Hua	6	0	100	
Independent Director	Lin Cheng-Te	6	0	100	
Independent Director	Chen Wen-He	3	0	100	Elected after the reelection at the shareholders' meeting in June 2024

Other disclosures to be noted:

1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, contents of the motions, independent directors' opinions and how the Company has responded to such opinions:

   (1) Conditions described in Article 14-3 of the Securities and Exchange Act: The independent directors didn't voice opposing or present qualified opinions against any motions.

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
2024.03.13	1615	Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None
		Approved the proposal for making of guarantee for affiliated company's bank	Approved unanimously.	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		loans submitted for discussion.		
		Approved the proposal for 2023 Statement on Internal Control.	Approved unanimously.	None
		Approved the proposal for 2023 Business Report and Financial Statements submitted for discussion.	Approved unanimously.	None
		Approved the discussion about amendments to the Corporate Governance Rules	Approved unanimously.	None
		Approved the proposal for discussion of re-election of directors at the shareholders' meeting	Approved unanimously.	None
		Approved the discussion of operational matters related to the nomination of shareholders' proposals and director candidates at the regular shareholders' meeting	Approved unanimously.	None
		Approved the date of the 2024 annual general meeting and discussion on related matters	Approved unanimously.	None
		Approved the proposal for 2023 remuneration to directors and managers and limit of annual bonus payment submitted for discussion.	Approved unanimously.	None
2024.03.13	1615	Approved the proposal for determining the date and agenda of the 2023 Annual Shareholder's Meeting.	Approved unanimously.	None
2024.03.27	1616	Report on the timeline of greenhouse gas inventory	Approved unanimously.	None
		Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None
		Approved the proposal for loaning of funds	Approved	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		to affiliated companies submitted for discussion.	unanimously.	
		Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion.	Approved unanimously.	None
		Approved the proposal for evaluation on external auditors' independence submitted for discussion.	Approved unanimously.	None
		Discussion about the appointment of KPMG for audit and certification of the 2024 financial statements	Approved unanimously.	None
		Approved the 2023 financial statements.	Approved unanimously.	None
		Approved the discussion of the 2023 deficit compensation proposal	Approved unanimously.	None
		Approved the proposal for the list of director candidates.	Approved unanimously.	None
2024.05.14	1617	Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None
		Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion.	Approved unanimously.	None
		Approved the 2024 Q1 financial statements	Approved unanimously.	None
2024.06.14	1701	Proposal for election of the Chairman	Approved unanimously.	None
2024.08.13	1702	Announcement of 2023 Sustainability Report of TEX-RAY Group	Approved unanimously.	None
		Report on the timeline of greenhouse gas inventory	Approved unanimously.	None
		Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		Approved the proposal for loaning of funds to affiliated companies submitted for discussion.	Approved unanimously.	None
		Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion.	Approved unanimously.	None
		Proposal for appointment of Remuneration Committee members	Approved unanimously.	None
		Proposal for appointment of Risk Management Committee members	Approved unanimously.	None
		Proposal for consolidated financial statements for the first half of 2024	Approved unanimously.	None
2024.11.13	1703	Report on corporate governance section	Approved unanimously.	None
		Report on the implementation status of ethical management policies and prevention plans	Approved unanimously.	None
		Report on the implementation status of the intellectual property management plan linked to the operational objectives	Approved unanimously.	None
		Report on the implementation status of information security	Approved unanimously.	None
		Report of the Sustainable Development Committee	Approved unanimously.	None
		Report on the stakeholder engagement status	Approved unanimously.	None
		Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None
2024.11.13	1703	Approved the proposal for loaning of funds to affiliated companies submitted for discussion.	Approved unanimously.	None
		Approved the proposal for making of	Approved	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		guarantee for affiliated company's bank loans submitted for discussion.	unanimously.	
		Approved 2025 audit plan	Approved unanimously.	None
		Approved the consolidated financial statements for the third quarter of 2024	Approved unanimously.	None
		Approved the proposal for the establishment of general principles for non-assurance services pre-approval policy.	Approved unanimously.	None
		Amendment to the Company's Approval Authority Table	Approved unanimously.	None
		Amendment to the Sustainable Development Committee Charter	Approved unanimously.	None
		Proposal for appointment of the Sustainable Development Committee members and the Chief Sustainability Officer	Approved unanimously.	None
		Proposal for simple merger with the subsidiary Zheng-Ray Industrial Co., Ltd. 100% owned by the Company	Approved unanimously.	None
		Proposal for amendment to the Internal Control System and the Enforcement Rules for Internal Audit	Approved unanimously.	None
2025.03.12	1704	Approved the proposal for bank loans submitted for discussion.	Approved unanimously.	None
		Approved the proposal for providing guarantee for affiliated company's bank loans	Approved unanimously.	None
		Approved the proposal for 2024 Statement on Internal Control.	Approved unanimously.	None
		2024 business report and financial statements.	Approved unanimously.	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		Approved the proposal for scope of entry-level employees	Approved unanimously.	None
		Approved the proposal for amendments to the Articles of Incorporation submitted for discussion.	Approved unanimously.	None
		Approved the date of the 2025 annual general meeting and discussion on related matters	Approved unanimously.	None
		Approved the proposal for the remuneration and annual bonus distribution of directors and managerial officers	Approved unanimously.	None
2025.03.27	1705	Report on the timeline of greenhouse gas inventory	Approved unanimously.	None
		Discussion about the appointment of KPMG for audit and certification of the 2025 financial statements	Approved unanimously.	None
		Evaluation on the independence of CPAs.	Approved unanimously.	None
		Approved the proposal for bank loans	Approved unanimously.	None
		Loaning of funds to affiliated companies	Approved unanimously.	None
		Approved the proposal for distribution of 2024 remuneration of employees and directors	Approved unanimously.	None
		Discussion on the 2024 financial statements	Approved unanimously.	None
		Discussion on 2024 earnings appropriation proposal	Approved unanimously.	None
		Discussion on proposal for amendment to the Internal Control System and the Enforcement Rules for Internal Audit	Approved unanimously.	None

Date	Term No.	Contents of Motion	All independent directors' opinion	How the Company has responded to the independent directors' opinions
		Discussion on the proposal for the establishment of greenhouse gas reduction management policy and environmental and energy management plan	Approved unanimously.	None

(2) Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

2. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: Each director attended various meetings per the regulations for the Board of Directors meeting, in order to discussion motions related to the Company or its affiliated companies, without involving any personal conflict of interest. Therefore, none of them needed to recuse himself/herself from the discussion.

3. The TWSE/TPEx-listed company shall disclose the evaluation cycle and period, scope of evaluation, method and contents of evaluation about the Board of Directors' self (or peer) performance evaluation, and specify the status of evaluation conducted by the Board of Directors. The Company has adopted the "Regulations Governing Appraisal on Performance of the Board of Directors" on August 12, 2020. At the end of each year, the Company would distribute the "Board of Directors Performance Self-Assessment Questionnaire," "Board Members Performance Self-Assessment Questionnaire" and "Functional Committees Performance Self-Assessment Questionnaire" to be completed by Q1 of the next year. The results of the performance evaluation of the Board of Directors have been submitted to the Board of Directors on March 12, 2025, and the overall performance evaluation of the Board of Directors (functional committees) is still valid. Please refer to pages 83-84 of the Annual Report for details.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation
Annually	From January 1, 2023 to December 31, 2023	Board of Director	Internal self-evaluation of the Board of Directors "Self-Evaluation Questionnaire	1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors.

			for the Performance of the Board of Directors"	4. Election and continuing education of directors. 5. Internal control.
		Individual Board Member	Board members' self-evaluation "Self-evaluation questionnaire for directors"	1. Alignment of the Company's goals and missions 2. Recognition of director's duties. 3. The degree of participation in the company's operations. 4. The management of internal relationships and communication. 5. Director's professionalism and continuing education 6. Internal control.
		Functional committees (Audit Committee, Remuneration Committee and Risk Management Committee)	Self-evaluation of functional committees "Self-Evaluation Questionnaire of Performance of Functional Committees"	1. The degree of participation in the company's operations. 2. The recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and appointment of committee members. 5. Internal control.

4. Enhancement of the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, the improvement of information transparency, etc.) and the respective progress reports. Descriptions:
   (1) The Company adopted the “Regulations Governing Procedure for Board of Directors Meetings” in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and already enforced the same precisely.
   (2) The Company adopted the “Regulations Governing Appraisal on Performance of the Board of Directors” in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies, and conducted the evaluation on performance of the Board of Directors and functional committees periodically.

5. Implementation of the board evaluation:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation	Evaluation results
Once per year	2024	Board of Director	Internal self-assessment	The contents of evaluation cover 45 indicators including engagement in the Company's operation, Board decision-making quality, composition and structure of the Board, election and continuing education of directors and internal controls, etc.	Fair
		Individual director	Board members' self-assessment	The contents of evaluation cover 23 indicators including alignment with the goals and mission of the Company, knowledge of directors' duties, engagement in the Company's operations, management of internal relationship and communication, professionalism and continuing education of directors, and internal controls, etc..	Fair
		Functional committees	Internal self-assessment	The contents of evaluation cover 26 indicators including engagement in the Company's operation, knowledge of the function committee's duties, the functional committee's decision-making quality, composition and election of members of the functional committee, and internal controls, etc.	Fair

(3) In order to help directors perform their job duties and improve the Board of Directors' performance, the Company's "Standard Operating Procedure for Handling Directors' Requirements" was adopted in accordance with the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, and enforced precisely.

(4) The current directors kept attending the corporate governance theme-based continuing education courses organized by the institutions designated in accordance with the Directions for the Implementation of Continuing Education for Directors of TWSE Listed Companies during their term of office.

(5) The Company has established the Remuneration Committee and Audit Committee on October 29, 2011 and June 26, 2015, and also adopted related articles of association thereof, in order to

help the Board of Directors perform its job duties.

(6) In order to improve the ethical corporate management and corporate governance performance, the Company also adopted its own “Ethical Management Best Practice Principles” and “Corporate Governance Best Practice Principles”, and enforced the same precisely.

6. Other matters Supervisors’ involvement in the Board operations: Not applicable, as the Company has established the Audit Committee

(II) Operation of the Audit Committee:

1. A total of 5(A) Audit Committee meetings were held in the most recent year. Below are the independent directors' attendance records:

Job title	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual presence ratio (%) (B/A) (Note 1, Note 2)	Remark
Convener	Tsai Chao-Lun	5	-	100.00%	Consecutive term of office (reelection date of 2024.06.14)
Member	Chu Hsing-Hua	5	-	100.00%	Consecutive term of office (reelection date of 2024.06.14)
Member	Lin Cheng-Te	5	-	100.00%	Consecutive term of office (reelection date of 2024.06.14)
Member	Chen Wen-He	2	-	100.00%	New assumption of position (reelection date: 2024.06.14)

Note 1: Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

Note 2: If a re-election of independent directors had taken place prior to the close of the financial year, members of both the previous and the current independent directors are listed; in which case, the remarks column would specify whether the independent director was the former independent director or was re-elected or newly elected, and the date of election. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

2. The main issues reviewed by the Audit Committee include:

(1) Establishment or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
(2) Review on the effectiveness of the internal control system.
(3) Establishment or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
(4) A matter bearing on the personal interest of a director.
(5) A transaction involving material asset or derivatives trading.
(6) A material monetary loan, endorsement, or provision of guarantee.

(7) The offering, issuance, or private placement of any equity-type securities.
(8) The hiring, dismissal, or remuneration of CPAs.
(9) The appointment or dismissal of a financial, accounting, or internal audit officer.
(10) Annual financial report signed or affixed seals by the chairman, executive officer, and chief accounting officer, and the second quarter financial report subject to audit and attestation by a CPA.
(11) Any other material matter so determined by the company or the competent authority.

3. Operation Status of Current Year:

(1) Matters specified in Article 14-5 of Sectaries and Exchange Act:

Date	Session	Contents of Motion	Matters referred to in Article 14-5 of the Securities and Exchange Act	The content of objections, reservations, or significant recommendations made by independent directors
2024.03.14	3rd Term 14th Meeting	Loaning of funds to affiliated companies	✓	None
		2023 Statement of Internal Control.	✓	None
		2023 business report and financial statements.	✓	None
2024.03.14	3rd Term 14th Meeting	The proposal for the remuneration to directors and managers and limit of annual bonus payment submitted for discussion.	✓	None
		The proposal for termination of non-competition restrictions imposed on directors of 17th Board of Directors submitted for discussion.	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2024.03.27	3rd Term 15th Meeting	Loaning of funds to affiliated companies	✓	None
		Provision of guarantees for affiliates' bank credit loans.	✓	None
		Evaluation on the independence of CPAs.	✓	None
		The commissioning of the 2024 financial report audit certification.	✓	None
		Discussion on the 2023 financial statements	✓	None

Date	Session	Contents of Motion	Matters referred to in Article 14-5 of the Securities and Exchange Act	The content of objections, reservations, or significant recommendations made by independent directors
		The 2023 deficit compensation table.	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2024.05.14	3rd Term 16th Meeting	The Company’s consolidated financial statements for the first quarter of 2024.	✓	None
		Provision of guarantees for affiliates’ bank credit loans.	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2024.08.13	4th Term 1st Meeting	Loaning of funds to affiliated companies	✓	None
		Provision of guarantees for affiliates’ bank credit loans.	✓	None
		The Company’s consolidated financial statements for the second quarter of 2024	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2024.11.12	4th Term 2nd Meeting	Loaning of funds to affiliated companies	✓	None
		Provision of guarantees for affiliates’ bank credit loans.	✓	None
		Discussion about formulating the Company's 2024 annual audit plan	✓	None
		The Company’s consolidated financial statements for the third quarter of 2023.	✓	None
		Proposal for the establishment of general principles for non-assurance services pre-approval policy.	✓	None

Date	Session	Contents of Motion	Matters referred to in Article 14-5 of the Securities and Exchange Act	The content of objections, reservations, or significant recommendations made by independent directors
		Amendment to the Company's "Approval Hierarchy Table."	✓	None
		Discussion on the simple merger with the subsidiary in which the Company holds 100% of the shares.	✓	None
		Discussion on the proposal for amendment to the “Internal Control System” and the “Enforcement Rules for Internal Audit”	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2025.03.12	4th Term 3rd Meeting	Loaning of funds to affiliated companies	✓	None
		Provision of guarantees for affiliates’ bank credit loans.	✓	None
		Discussion about formulating the Company's 2024 annual audit plan	✓	None
		Discussion on the proposal for amendment to the Company’s Articles of Incorporation	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		
2025.03.	4Th Term 4th Meeting	Loaning of funds to affiliated companies	✓	None
		Provision of guarantees for affiliates’ bank credit loans.	✓	None
		Evaluation on the independence of CPAs.	✓	None
		The commissioning of the 2024 financial report audit certification.	✓	None
		Discussion on the 2023 financial statements	✓	None
		The 2023 deficit compensation table.	✓	None
		Audit Committee resolution: All independent directors present voted in favor of all		

Date	Session	Contents of Motion	Matters referred to in Article 14-5 of the Securities and Exchange Act	The content of objections, reservations, or significant recommendations made by independent directors
		proposals.		
		The Company's response to the Audit Committee's opinion: All directors present voted in favor of the proposal.		

(2) Apart from the matters above, any resolution that has not received approval from the Audit Committee but has been approved by two-thirds or more of all directors: None.

4. For the execution status of recusal of independent directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting shall be described: None.
5. Communication between independent directors and internal auditing officers and CPAs (including major issues, methods, and results of communication on the Company's financial and business status, etc.).

(1) The Company’s chief internal audit officer would communicate with the Audit Committee about the audit report results periodically on a quarterly basis, and report the internal audit at the quarterly Audit Committee meeting, and submit the important discussion cases and resolutions thereof to the President and senior management at the same time. The chief internal audit officer would attend the meeting to report the audit business and major internal control/internal audit matters, and carry out the implementation, report and follow-up instructed by various independent directors. Any special case would also be reported to the Audit Committee members immediately. Summary on status of communication of independent directors and internal audit officer.

Date	Method of communication	Contents of communication	Outcome
2024.03.13	14th meeting of 3rd Audit Committee	1. Audit implementation status in Q4 2023. 2. Effectiveness judgment on 2023 internal control system. 3. 2023 Statement on Internal Control	Agreed and acknowledged by all present independent directors.
2024.03.27	15th meeting of 3rd Audit Committee	Evaluation on the independence of CPAs	Agreed and acknowledged by all present independent directors.
2024.05.14	16th meeting of 3rd term of Audit Committee	Audit implementation status in Q1 2024	Agreed and acknowledged by all present independent directors.
2024.08.13	1st meeting of 4th term of Audit Committee	Revised computerized information system control operation of internal control system	Agreed and acknowledged by all present independent directors.
2024.11.12	2nd meeting of 4th term of Audit Committee	1. Audit implementation status in Q3 2. Formulation of the Company's 2024 annual audit plan 3. Amendment to the table of approval authority 4. Amendment to the Internal Control System and Enforcement Rules for Internal Audit" of the Company	Agreed and acknowledged by all present independent directors.
2025.03.12	3rd meeting of `4th term of Audit Committee	1. Audit implementation status in Q4 2024 2. Effectiveness judgment on 2024 internal control system. 3. 2024 Statement on Internal Control	Agreed and acknowledged by all present independent directors.
2025.03.27	4th meeting of 4th term of Audit Committee		Agreed and acknowledged by all present independent directors.

(2) The Company's external CPAs report their audit results or review of the quarterly financial statements and other matters required by relevant laws and regulations at the quarterly Audit Committee meeting. In case of any special circumstances, they will also report to the Audit Committee. There were no such particular circumstances in 2024, and the communication between our Committee members and CPAs was proper. Summary on status of communication of independent directors and CPAs:

Date	Method of communication	Contents of communication	Outcome
2024.03.27	15th meeting of 3rd Audit Committee	1. Explanatory discussion on the audit results for the Company's 2023 financial report and consolidated financial report. 2. Key audit matters of the Company in 2023. 3. Important legal updates. 4. NAS service and independence assessment.	All present independent directors understood the communication matters thoroughly.
2024.08.13	1st meeting of 4th term of Audit Committee	1. Explanatory discussion on the audit results for the Company's 2024 Q2 consolidated financial statements. 2. Important legal updates.	All present independent directors understood the communication matters thoroughly.
2025.03.27	4th meeting of 4th term of Audit Committee	1. Explanatory discussion on the audit results for the Company's 2024 financial report and consolidated financial report. 2. Key audit matters of the Company in 2024. 3. Important legal updates. 4. NAS service and independence assessment.	All present independent directors understood the communication matters thoroughly.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof:

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies"?	✓		The Company has established the "Corporate Governance Best Practice Principles of the Company according to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"and has published such Principles on the Market Observation Post System (MOPS) and the Company's website.	No deviation, as explained above.
II. The Company's equity structure and shareholders' equity				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	✓		(I) The Company has established a stock affairs unit, a spokesperson, and a mailbox to handle shareholders' suggestions and disputes in accordance with our internal operating procedures. Additionally, we provide a feature on our company website for complaint filing, whistleblowing, and proposal submission. If there are any legal issues involved, we will refer them to the legal department for handling.	No deviation, as explained above.
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	✓		(II) Most of the Company's major shareholders are either members of the management team or directors, which enables us to keep track of the list of major shareholders who have actual control over the company, ensuring stability in management rights. The company gains a comprehensive understanding of the major shareholder structure by regularly reporting changes in the shareholdings of	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			directors, supervisors, and managers through both the stock affairs agency and internal personnel. Any changes are reported in accordance with the information reporting operation for TWSE-listed companies.	
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	✓		(III) The management responsibility for personnel, assets, and finances between the Company and its affiliated companies have been clearly defined. Furthermore, we have conducted risk assessments and established appropriate firewall mechanisms. For business transactions with affiliated companies, we follow the principles of fairness and reasonableness and comply with the "Regulations Governing Related Party Transactions," "Regulations Governing the Supervision and Management of Subsidiaries," internal control, and other related management measures. Regarding contractual matters, it is essential to explicitly specify clear pricing conditions and payment methods. Moreover, any form of irregular transactions, as well as acts of bribery or corruption, shall be strictly prohibited. The affiliated companies operate their finances, businesses, and accounting independently. The Company has established proper risk control mechanisms and firewalls between the affiliates, which are regularly monitored and audited.	No deviation, as explained above.
(IV) Does the Company adopt internal rules	✓		(IV) The Company has expressly stipulated in its	No deviation, as explained

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
prohibiting company insiders from trading securities using information not disclosed to the market?			corporate governance practices that insiders are prohibited from trading securities based on undisclosed information, including information related to the company's financial reports or performance, from the date such information becomes known to them. Control measures for stock transactions include directors not being allowed to trade company stocks during the 30 days before the announcement of the annual financial report and during the 15 days before the announcement of quarterly financial reports. The company has also established a "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Handling Internal Material Information," applicable to directors, supervisors, executives, and employees, all of which prohibit insiders from trading securities based on undisclosed information. The company conducts periodic updates and promotions of related information.	above.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors established diversity policies, specific management goals and implemented properly?	✓		(I) The Company's Board of Directors is responsible for guiding the corporate strategy, overseeing the management team, and being accountable to both the company and shareholders. They must ensure that the various operations and arrangements of the corporate governance mechanism are in place and that their	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			powers are exercised in compliance with laws, the Articles of Incorporation, or resolutions passed by the Shareholders' Meeting. The composition of the Board members should take into consideration diversity and formulate an appropriate diversity policy based on its operations, business model, and development needs. In accordance with the Company's "Corporate Governance Best Practice Principles," directors should generally possess the knowledge, skills, and attainment necessary to perform their duties. The Company adopts a director (including independent directors) nomination system (please refer to the professional knowledge and independence of the Board members for details): The Company has a Board of Directors consisting of 11 members (including 4 independent directors), one of whom is female. The Board consists of the directors with the professional knowledge, skills and experience in finance, business and legal affairs as required by the Company’s operations, as elected in accordance with the Company’s Regulations for Election of Directors. Please refer to pages 18-25 and 76-77. Board member and key management successor cultivation planning: The succession planning for passing down the legacy is based on considerations of the management team and their development, as well as management talents and executives who share the corporate management philosophy and culture. The successor selection is	

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			composed of managers from diverse fields of expertise, and the decision is made through the management decision committee with regular discussions on the candidate's development. Please refer to page 84.	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?	✓		(II) In addition to the Remuneration Committee and Audit Committee required by law, the Company has established a Risk Management Committee, which was approved by the Board of Directors on November 11, 2021. In addition, re-election was conducted on August 13, 2024, and the Chairman Ray Lin and two Independent Directors Tsai Chao-Lun and Chen Wen-He act as the chairpersons. All of the committee members possess expertise in corporate governance and risk identification, meeting the professional requirements of the committee. The Risk Management Committee regularly reviews risk management at all levels in the course of operational activities, discusses the risk environment and risk management focus faced by the Group, conducts risk assessments, and proposes countermeasures. At least once a year, the Committee reports to the Board of Directors on the performance results for the year. On December 25, 2024, the Risk Management Committee held a meeting to discuss the risk environment and risk management focus faced by the Group. They also carried out a risk assessment, proposed countermeasures, and reported to the Board on March 12, 2025. On November 13, 2024, the Sustainable Development	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			Committee was formally established. The Chairman Ray Lin and Independent Director Tsai Chao-Lun and Independent Director Chen Wen-He act as the chairpersons, in order to strengthen the corporate sustainable governance culture and optimize the supervision function of the Board of Directors on sustainable governance. In addition, on March 12, 2025, the implementation status and the 2025 work plan were reported to the Board of Directors.	
(III) Does the Company establish a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	✓		(III) The Board of Directors of the Company passed the "Procedures for Performance Evaluation of the Board of Directors and Functional Committees" on June 12, 2019, which stipulates that the Board of Directors shall the internal evaluation shall be conducted at the end of each year in accordance with these Regulations. In addition, the evaluation is conducted by an external professional independent institution or an external team of experts and scholars at least once every three years. 1. The measurement items for the performance evaluation of the board of directors of the Company include the following five major aspects: (1)The degree of participation in the company's operations. (2)Improvement in the quality of decision making by the board of directors. (3)The composition and structure of the board of directors. (4)Election and continuing education of directors.	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			(5)Internal controls. 2. The Company's Board of Directors' performance evaluation items include the following: (1)Their grasp of the company's goals and missions. (2)Their recognition of director's duties. (3)The degree of participation in the company's operations. (4)Their management of internal relationships and communication. (5)Their professionalism and continuing professional education. (6)Internal controls. 3. The items measured in the self-performance evaluation of the Remuneration Committee, Audit Committee and functional committees of the Company include: (1)The degree of participation in the company's operations. (2)Their recognition of the duties of the functional committee. (3)Improvement in the quality of decision making by the functional committee. (4)The composition of the functional committee, and election and appointment of committee members. (5)Internal controls. The financial unit is responsible for executing the evaluation. The internal questionnaire method is used to conduct the evaluation. Based on the operation of the	

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			Board of Directors, the degree of participation of directors, and the operation of each functional committee, the evaluation of the operation of the Board of Directors, the self-participation of directors, and the operation of various functional committees are evaluated. The results of the abovementioned performance evaluation will be used as a reference for the selection or nomination of directors, and the results of the performance evaluation of directors and functional committee members will be used as a reference for determining their individual remuneration. Once the questionnaires are fully recovered in January of each year, the Company's financial department will analyze them in accordance with the aforementioned procedures, report the results to the Board of Directors, and propose measures for improvement based on the suggestions of the directors. The Company completed the performance evaluation of the Board of Directors, members of the Board of Directors, and various functional committees in January 2025, and at the meeting of the Board of Directors, held on March 12, 2025, to report the evaluation results and the direction of continuous improvement for the next year. The self-evaluation score of the Board of Directors is 4.66 points (out of 5 points); the self-evaluation score of directors is 4.78 points (out of 5 points); the operational performance self-evaluation of Audit Committee is 4.83 points (out of 5); the operational	

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			performance self-evaluation of Remuneration Committee is 4.84 (out of 5); the Risk Management Committee's operational performance self-assessment score is 4.96 (out of 5); its evaluation result is still effective. The Company commissioned the Taiwan Investor Relations Institute to conduct an external expert evaluation in January 2025 (the evaluation period was from January 1, 2024 to December 31, 2024). The Taiwan Investor Relations Institute had no business dealings with the Company and issued a statement of independence. This external evaluation involved the evaluation of the Board of Directors through document review, self-evaluation questionnaires, and on-site interviews, and the results were reported to the 4th meeting of the 17th term of Board of Directors on March 12, 2024; The association believes that the operation of the board of directors of the company follows the laws and regulations, and the composition of the board of directors is diversified. However, it is recommended to plan diversified courses for board members, and establish multiple communication channels to strengthen stakeholder relations. Please refer to pages 18-25 and 76-77 for details.	
(IV) Does the Company have the independence of the external auditors evaluated regularly?	✓		(IV) The Company's Audit Committee conducts an annual assessment to determine the independence and competence of its hired CPAs. In addition to requesting the "Statement of Independence" and "Audit Quality	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			Indicators (AQIs)" from the CPAs, the Committee also evaluates them based on the CPA independence evaluation criteria (see page79) and 13 AQIS indicators. After confirmation, the CPAs have no other financial interests or business relationships with the Company other than fees for certification and tax affairs, and their family members also meet the independence requirements. In addition, based on the AQIS indicators, we have confirmed that the CPAs and their firms' auditing experience and training hours are better than the industry average. Furthermore, they have continuously introduced digital auditing tools in the past three years to enhance audit quality. The evaluation results of the most recent year were discussed and approved by the Audit Committee on March 27, 2025, and submitted to the Board of Directors for resolution on the approval of CPAs, Kuo-Yang Tseng and Shu-Ying Chang, of KPMG meeting the Company's criteria for independence and competence, such that they are qualified to serve as the CPAs of the Company.	
IV. Does the TWSE/TPEx-listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to	✓		On June 9, 2023, the Company appointed Ms. Chen Hsiu-Wen as the chief corporate governance officer responsible for corporate governance-related business, including providing directors with the information required for business execution, conducting matters related to meetings of the Board of Directors, Audit Committee, Remuneration Committee, and Shareholders' Meetings in compliance with legal	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.)?			requirements, managing registration and change of corporate registration, preparing minutes of Board meetings and Shareholders' Meetings, reporting regular and non-regular financial business information, and establishing or amending internal control and audit systems in response to regulatory changes. Summary of the business execution highlights for the Company's chief corporate governance officer in 2024: Conducting matters related to the Board meetings and Shareholders' Meetings in compliance with legal requirements, preparing minutes of Board meetings and Shareholders' Meetings, assisting directors in continuing education, providing directors with the information required for business execution, assisting directors in complying with laws and other matters stipulated in the Articles of Incorporation. Please refer to page 71 for the completed training hours of the Company's chief corporate governance officer in 2024.	
V. Does the Company provide proper communication channels and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has a designated spokesperson and a deputy spokesperson. We maintain smooth communication with stakeholders and have set up a stakeholder section on the corporate website that includes contact information for shareholders, customers, suppliers, and employees. Other parties, such as landlords, contractors, banks, and employees are managed by dedicated departments for communication and coordination. (See page 81 for details)	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	✓		The Company has appointed Fubon Securities Co., Ltd. as the professional stock affairs agency to assist in carrying out tasks relevant to Shareholders' Meetings.	No deviation, as explained above.
VII. Information disclosure				
(I) Does the Company set up a website to disclose the Company's business, finance and corporate governance information?	✓		(I) The Company has set up the website at http://www.texray.com.tw to disclose the business, finance and corporate governance information. Meanwhile, the Company appoints dedicated personnel to maintain and update the relevant information.	No deviation, as explained above.
(II) Does the Company have adopted other information disclosure methods (e.g., establishing an English website, designating responsible person for collecting and disclosing information of the Company, practicing the spokesman system, posting the investor conference on the Company's website, etc.)?	✓		(II) The Company has established an abridged English site available for foreign investors in addition to its Chinese corporate website. Each department has designated personnel responsible for gathering company information, which is then sent to the IT unit for timely disclosure on the official corporate website. Meanwhile, a spokesperson system has been implemented to facilitate prompt communication with the public, and investor conference materials are available on our website for investors' reference.	No deviation, as explained above. No deviation, as explained above.
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	✓		(III) The Group's affiliated companies and subsidiaries are located across four continents (Europe, Asia, America and Africa). In consideration of local laws and regulations, it is impossible for all of them to disclose the related information by the specified deadline. Notwithstanding, it might be possible to do so, once the Group completes the system	

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			unification successfully.	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of Directors/Supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?	✓		(I) Employee rights and wellness: The Company upholds the Labor Standards Act to protect employee rights. The HR Department is responsible for maintaining positive employee relations through various communication channels that allow us to listen to feedback from our staff. Additionally, we offer a long-service bonus as recognition for our senior colleagues. Furthermore, we have created a bright and comfortable office environment and conducted regular maintenance checks on air conditioning and water quality to ensure a balanced workplace for both body and mind. In addition, we have established the Employee Welfare Committee to safeguard employee benefits, organize welfare events on an occasional basis, and strive to become a sustainable and innovative happy enterprise. (II) Investor relations: The Company upholds the spirit of excellence, technology, integrity, and quality, operates decently, and creates maximum benefits for the investing public to improve return on equity. The Company website also has an investor section, which provides sufficient information for investors' reference. We have established the spokesperson and deputy spokesperson system as communication channels for responding to shareholder inquiries. There is also an investor contact platform as a two-way communication channel between the investing public and the company. (III) Supplier relations: The Company maintains long-	No deviation, as explained above. No deviation, as explained above. No deviation, as explained

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			term cooperative relationships with suppliers and values communication, mutual trust, and fair trade in the business process to ensure the rights and interests of both parties.	above.
			(IV) Stakeholders' interests: The Company respects and safeguards the legitimate rights and interests of stakeholders, establishes various effective communication channels, and discloses relevant information to provide corporate information per the competent authority's requirement in a timely manner. See page 81 for details.	No deviation, as explained above.
			(V) Continuing education of directors and supervisors: All directors and supervisors have relevant practical experience and professionalism, and will actively communicate with directors (including independent directors) to encourage continuing education to enrich their functions.	No deviation, as explained above.
			(VI) Implementation of risk management policies and risk measurements: The material policies, investment projects, endorsements/guarantees, loaning of funds, bank financing, and other major proposals related to the Company's operations have all been evaluated and analyzed by the appropriate responsible departments and implemented following the resolutions of the Board of Directors. The Audit Office also sets forth its annual audit plan based on the risk assessment results and effectively carries it out to establish supervision mechanisms and control the execution of various risks.	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			On November 11, 2021, the Company's Board of Directors approved the appointment of the chairman and two independent directors to form the Risk Management Committee. The Committee held its second risk management meeting on December 15, 2023 to discuss the Company's risk environment and risk management focus, conducted risk assessments, and discussed countermeasures. Highlights of the discussion were also reported to the Board of Directors on March 13, 2024. Please refer to pages 90-91 for details. (VII) Implementation of customer policy: The Company has a dedicated customer service department to implement the customer policy, and the execution is proceeding smoothly. (VIII) Purchase of liability insurance for directors: The Company has taken out a "Directors Liability Insurance Policy" from CATHAY CENTURY INSURANCE CO., LTD. with the coverage amount of US$1 million. The main insurance conditions for the coverage period from January 12, 2025 to January 12, 2026 have been reported to the Board of Directors on March 12, 2025. Relevant information is also available on the Market Observation Post System (MOPS) and the corporate website.	No deviation, as explained above. No deviation, as explained above.

IX. Please explain the improvements made in response to the Corporate Governance Evaluation results released by the TWSE Corporate Governance Center in the most recent fiscal year and provide the priorities and plans for improvement with items yet to be improved.

1. In June 2023, the Board of Directors appointed Ms. Hsiu-Wen Chen, as the Corporate Governance Officer. She has completed 28 hours of corporate governance courses in 2024. Please refer to the following pages for details.

Serial	Continuing education institution	Course title	Training period		Hours of continuing education
			From	To	
1	Taiwan Stock Exchange Corporation	CDP Taiwan Announcement Presentation	2024/03/22	2024/03/22	3.0
2	Taiwan Academy of Banking and Finance	Corporate governance forum	2024/04/19	2024/04/19	3.0
3	Securities and Futures Institute	Sustainability disclosure workshop	2024/05/02	2024/05/03	9.0
4	Taiwan Stock Exchange Corporation	GHG Protocol Enterprise Standard and Scope 3 Standard Advocacy Course	2024/06/06	2024/06/06	7.0
5	Taiwan Stock Exchange Corporation	Sustainability Knowledge and Education Course	2024/09/03	2024/09/03	6.0

2. The Board of Directors of the Company on November 12, 2024 has approved the appointment of the Chairman and two independent directors to form the Sustainable Development Management Committee. The first meeting of the Sustainable Development Management Committee was held on December 25, 2024 to discuss the 2025 sustainability team work plans.

E	1. Continue to develop eco-friendly products and seek more opportunities for cooperation. 2. Complete the headquarters' greenhouse gas (GHG) inventory report, and promote GHG inventory for the entire Group. 3. Assess the effectiveness of solar panels installed at each production site or other energy-saving and carbon reduction plans.
S	1. Employee development: Overseas management trainee program, Project T advanced version, optimization of TEX-RAY Academy. 2. Strengthening and optimization of a learning organization.
G	1. Improve indicator Items without scores in the corporate governance evaluation; items that are scored by more than 50% of public companies but not yet scored by TEX-RAY. 2. Continue to optimize the Company’s internal control, system and operating procedures.

3. The Company has established the progress of GHG inventory and reported it to the Board of Directors quarterly. The latest progress was reported to the Board of Directors on March 27, 2025.

4. The Company's response to the sustainable development action plan has been approved by the Board of Directors on March 27, 2025 to establish the GHG reduction management policy and environmental and energy management.

X. Environment, Society and Governance (ESG) risk assessment and management strategy

(I) The Company has established the “Sustainable Development Best Practice Principles” and disclosed the same on the corporate website. We have also conducted risk assessments based on the principles of materiality and formulated related risk management strategies in various aspects.

(II) Risk management organizational structure

The Company takes the Board of Directors as the highest governing body for risk management. Taking into account corporate scale, business characteristics, risk nature, and operational activities, we have established the Risk Management Committee, which reports to the Board of Directors. We have also designated the business governance team under the Sustainable Development Commission to be the unit responsible for promoting and implementing risk management. The team regularly reports the risk environment, risk management priorities, risk assessment, and countermeasures to the Risk Management Committee. At least once a year, the Risk Management Committee reports on its supervision of risk management to the Board of Directors.

(III) Risk management policy

The Company has developed the "Risk Management Policy" based on the framework of ISO 31000, which was approved by the Board of Directors in 2021 as the top guiding principle for the Company's risk management. Every year, the Risk Management Team regularly conducts risk factor identification to identify potential risks that may affect corporate sustainability. They then formulate risk management policies for each risk, covering management objectives, organizational structure, accountability, and risk management procedures, among other mechanisms, and effectively implement them to identify, measure, and control all risks associated with the Company, aiming to keep material risks within acceptable limits.

(IV) Risk management procedures

1. Risk identification

Each business unit should identify potential risk events that could hinder the company from achieving its objectives or result in losses and negative impacts on the company based on their respective unit's short, medium, and long-term goals and business responsibilities.

2. Risk analysis

Each business unit should calculate the risk value based on the identified risk events, considering the completeness of the existing related control measures, past experience, industry cases, and analyzing the frequency and impact of the risk events.

3. Risk assessment

Each business unit should compare the risk analysis results with risk tolerance, develop and implement follow-up response plans according to risk level, prioritize risk events, and use them as a reference for selecting subsequent countermeasures.

4. Risk response

Consideration should be given to corporate strategic objectives, internal and external

stakeholder perspectives, risk tolerance, and available resources in selecting a risk response approach, so that the risk response plan can strike a balance between achieving goals and cost-effectiveness.

5. Risk monitoring and review

To effectively monitor and enhance the effectiveness of risk management implementation, it is important to link it with key processes within the organization, carefully review the risk management process and related risk countermeasures to ensure their efficacy, and incorporate the review findings into performance measurement and reporting matters.

(V) Implementation status

Each business unit of the Group should conduct regular risk assessments and formulate risk management strategies and plans annually based on the principle of materiality, considering governance issues such as economic, environmental, and social aspects that may have significant impacts on customers, investors, and other stakeholders. For high-risk issues, in addition to regularly reporting the risk status and reinforcing control plans at the risk management team meetings, they should also be submitted to the Risk Management Committee for supervisory reviews. The Risk Management Committee reports to the Board of Directors at least once a year and has reported to the Board of Directors on March 12, 2025 regarding high-risk issues such as compound disaster risk and data risk management oversight.

Environmental, Social, and Corporate Governance (ESG) Risk Assessment and Management Strategies

The Company has established the “Sustainable Development Best Practice Principles,” conducted a risk assessment of environmental, social, or corporate governance (ESG) issues associated with its operations based on the principle of materiality, and formulated relevant risk management policies or strategies.

ESG material issues		Risk identification	Risk management strategy
E	Energy and greenhouse gas (GHG) management	Rising energy costs	1. Adopt low-energy consumption equipment, install natural energy devices, and encourage staff to develop eco-friendly lifestyles to reduce electricity consumption from production activities. 2. Evaluate the use of alternative and renewable energy.
	Environmental management	Increasingly stringent environmental requirements	1. The "environmental sustainability taskforce" has been established under the Sustainable Development Commission to perform environmental risk assessments, update regulatory trends, execute environmental management goals and programs, and assist domestic and overseas factories in implementing environmental management. 2. Establish a dedicated environmental

			safety and health unit in the factory in compliance with the government policy of the respective site, regularly review the effectiveness of implementation, and fulfill the commitment to a sustainable environment through circular management.
S	Talent appointment and development Salary and benefits	Loss of excellent and potential development talents	1. The "Education and Training Management Regulations" are adopted based on the Company's overall development strategy. Through integration of the resources inside and outside the enterprise, the abilities needed by employees for future development and promotion are constructed. 2. Continuously optimize talent development and training systems. 3. Establish the sound and multi-dimensional labor-management communication channels and management policies. 4. Provide well-founded employees' benefits.
G	Business performance	Market economic impacts, elevating customer operational risks	1. Implement 3A2B customer policy to diversify order taking operational risks. 2. Implement customer credit ratings and obtain accounts receivable insurance.
	Supply chain management	Non-compliant suppliers	1. Follow the "Supplier Management Policy" and execute contracts with suppliers to ensure the suppliers' compliance with various laws and requirements; implement the management mechanism requiring pre-interview with suppliers before cooperation, evaluation prior to execution of contract and routine evaluation. 2. Periodic supplier evaluations to eliminate non-compliant suppliers.

Board Members Diversity Policy and Implementation Status

Board Diversity Policy

According to Article 20 of the Company's "Corporate Governance Practice Principles," the composition of the Board members should consider diversification. In addition to the fact that directors concurrently serving as the Company's executives shall not exceed one-third of the director seats, an appropriate diversification policy shall be formulated based on its operation, business model, and development needs, which shall include but not limited to the following two major criteria:

- Basic conditions and values: Gender, age, nationality, culture, etc., with the ratio of female directors reaching one-third of the director seats.
- Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, industry experience, etc.

Specific Management Goals

The Company's Board of Directors is responsible for guiding the corporate strategy, overseeing the management team, and being accountable to both the company and Shareholders' Meeting. They shall ensure that the various operations and arrangements of the corporate governance mechanism are in place and that their powers are exercised in compliance with laws and Articles of Incorporation. To meet the business development needs, the Company's Board of Directors should consist of experts and scholars in industry, financial accounting, management, and other professional backgrounds. At least one Board member should possess specialties, such as business management, industry experience, accounting, and other professional expertise. Furthermore, the Company also values gender equality in the composition of the Board member, with at least one female director.

Implementation Status of Board Member Diversity Policy

The Company has a Board of Directors consisting of 11 members (including 4 independent directors), one of whom is female. Currently, the Company has three directors who hold employee positions (including those of affiliated companies), and directors who concurrently serve as the Company's executives do not exceed one-third of the director seats. The age distribution of the Company's directors is diverse, with one director under the age of 50, four directors between the ages of 50 and 60, and seven directors over the age of 61. The Board consists of the directors with the professional knowledge, skills and experience in finance, business and legal affairs as required by the Company's operations, as elected in accordance with the Company's Regulations for Election of Directors. Among them, the director Chang Nai-Wen and independent director Chen Wen-He are both CPAs, while independent director Chu Hsing-Hua has a qualification as a university professor in a textile-related field, providing professional opinions for corporate decision-making. The implementation is as follows:

Name	Nationality	Gender	Assuming the role of the Company's employee concurrently	Age	Business management	Financial accounting	Business judgment	Industry-academia experience	Crisis management.	International market perspective	Leadership	Legal profession or CPA qualification
Ray Lin	ROC	Male	Yes	A	V		V	V	V	V	V	
Yao Wan-Kuei	ROC	Male	Yes	A	V	V	V	V	V	V	V	
Chang Nei-Wen	China	Male		C	V	V	V	V	V	V	V	V
Tai Chun	China	Male		C	V	V	V	V	V	V	V	
He Yu	ROC	Male		A	V		V	V	V	V	V	
Yang Chia-Yin	ROC	Female		C	V		V	V	V	V	V	
Lin Tsung-Yi	ROC	Male	Yes	D	V		V	V	V	V	V	
Tsai Chao-Lun	ROC	Male		A	V		V	V	V	V	V	
Chu Hsing-	ROC	Male		B	V		V	V	V	V	V	V

Hua												
Lin Cheng-Te	ROC	Male		A	V	V	V	V	V	V	V	
Chen Wen-He	ROC	Male		C	V	V	V	V	V	V	V	V

Note 1: A 70 and above, B 60 and above, C 50 and above, and D under 50.
Note 2: All 11 directors (including independent directors) hold directorship (chairman) or top positions of the unit in other companies. They are professionally qualified in all respects to act as the Company’s directors, providing the Company with professional advice based on their professional experience.
Note 3: Full re-election of directors was held at the shareholders' meeting in June 2024.

Succession Planning for Board Members and important Management

Succession Plan and Operation for Board Members

1. The Company implements the Board member diversity policy following the "Corporate Governance Best Practice Principles." At present, there are 11 directors (including 4 independent directors) who possess diverse and complementary industry experience along with professional expertise in finance, accounting, and other areas. Three directors also hold senior executive positions within the Company. Nonetheless, directors concurrently serving as the Company's executives do not exceed one-third of the director seats. Moreover, we will pay attention to gender equality and ensure that all directors possess the necessary knowledge, skills, and attainment to perform their duties.
2. The Company nurtures senior executives to join the Board by familiarizing them with the Board's operations and the businesses of Group units and by deepening their industry experience through job rotations. The training candidates for senior executive are determined through discussions by the management decision-making team, consisting of the chairman, president, professional managers, and consultants, and the progress of these candidates is evaluated regularly.

Succession Plan and Operation for Key Management Positions

1. **Succession talent development mechanism:** The HR department will establish and define key positions, nominating two to three potential successors for each key position. Based on the strengths and development potential of each candidate, we will focus on training resources for coaching and development, including management courses and experienced coaching. Since 2021, the Company has steadily implemented Individual Development Plans (IDPs) for potential successors. Through performance evaluations and the integration of company and departmental mission objectives, we aim to reinforce the strengths of current positions, improve readiness for succession, assist them in effectively enhancing their succession capabilities, and shorten the time required for succession.
2. **Annual Strategic Consensus Camp for Middle and Senior Executives:** Using a workshop approach, we conduct theme-based learning and discussions to plan for future strategies. The topics cover the formulation and implementation planning of action strategies aligned with the company's vision, adapting business models of each business unit to future trends, goal management setting, executing, and tracking, as well as an in-depth exploration of topics such as corporate responsibility culture promotion, leadership development, and systems.
3. **Team Building (Middle and Senior Executives) Management Skills Training:** Every six months, with the help of external consultants who specialize in professional leadership and management practices, we assist middle and senior executives in acquiring new-generation management thinking and understanding the pulse of the times. Through practical case studies conducted in small groups, internal middle and senior executives can exchange their years of management and leadership experience in more diverse ways, strengthening organizational cohesion and enhancing management leadership practices.
4. **Practical Solution Series Workshop (for middle and high-level managers):** The workshop is held once a year. Through the cross-industry sharing and the training for high potential talents/staff from other enterprises, the effective supervision and encouragement of the training results can be achieved through learning competitions and exchanges, thereby improving the implementation of strategies and tactics.

TEX-RAY INDUSTRIAL CO., LTD.

2024 CPA Independence and Competency Assessment Table

I. Evaluation description: Pursuant to Article 29 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies", TWSE/TPEx listed companies shall select professional, responsible and independent CPAs. In addition,

the independence of the CPAs shall be assessed periodically (at least once annually).

II. Assessment Subject: Name of CPA Firm: KPMG in Taiwan

Name of CPA: CPA I-Yun Tsou, CPA Kuo-Yang Tseng

Item	Important evaluation statement	Evaluation results	
		Yes	None
1	Whether the Company's CPAs have served the Company in the two years prior to the start of certification or within one year after discharge.		V
2	Does the Company's CPAs hold any shares of the Company.		V
3	Does the Company have any financial loans with the Company as a certified public accountant		V
4	Does the Company's CPAs have any joint investment or profit-sharing relationship with the Company.		V
5	Does the Company's CPAs serve as a director, supervisor, manager, or position with significant influence or conflict of interest.		V
6	Does the Company's CPAs have any management functions related to the decision-making of the Company.		V
7	Does the Company's CPAs have any relationship with the Company's management personnel as spouse, direct blood relative, relative by affinity, or third-degree collateral blood relatives.		V
8	Whether the Company's certified public accountants have directly or indirectly implied a relationship or recruited business by inducement.		V
9	Does the Company's CPAs receive external commissions in connection with any business of the Company.		V
10	Whether there is any litigation or correction by the competent authority as a certified public accountant of the Company.		V
11	Whether or not the Company's attesting CPA has served continuously for seven years.		V
12	Obtain the statement of independence issued by the CPAs every year.		V
13	Does the CPA have direct or material indirect financial interest in the Company?		V
14	Does the CPA engage in loan or guarantee transactions with the Company or the Company's directors.		V
15	Are the CPA and the Company in close business relationship or does the CPA enter into a potential employment negotiations with the Company.		V
16	Whether the CPAs and the Company's accountants and members of the audit team have served as directors, managers, or positions that have significant influence on the audit work of the Company currently or in the last two years.		V
17	Whether the CPAs provide non-audit services that may directly affect the audit work for the Company.		V
18	Does the CPA broker the shares or other securities issued by the		V

	Company?	
19	Has the CPA acted as the defender of the Company or represented the Company in coordination with a third party in any conflict of interest?	V

◎Evaluating information on AQI of audit quality indicators: Both the CPAs and the audit team have sufficient audit experience.

◎Performance and plans: 1. Complete the Company's 2024 finance and taxation certifications.

2. To provide financial and taxation consulting services to the Company from time to time.

◎Evaluation result: Following the assessment, it was confirmed that the company's appointed visa accountants had not encountered any of the situations described in the independence assessment criteria, indicating that the visa accountants met the independence standards. Furthermore, the accountants and audit team have extensive audit experience, which ensures the accuracy of the financial reports issued.

Stakeholder Communication Status

The Company offers multiple channels for stakeholder communication, including meetings (online and physical), phone calls, emails, correspondence, etc. We also have a stakeholder section on our corporate website, providing contact information such as email and phone numbers for stakeholders, with dedicated personnel to respond to their inquiries.

Reporting frequency: The communication status should be reported to the Board of Directors at least once a year. (The latest report was submitted on November 12, 2024)

The following are the issues, communication channels, communication frequency, and performance of each stakeholder's concern for 2024:

Stakeholders	Concerned issues	Communication channel	Communication frequency and performance
Employees	Business performance Talent training and development Compensation and benefits Workplace safety and health	1. EIP anonymous grievance platform 2. Performance interview 3. Year-end employee seminar 4. Various work meetings 5. Education training 6. Annual consensus camp	1. Feel free to communicate anytime as needed. 2. Twice a year, there will be performance feedback provided by the immediate supervisor. 3. Once a year, colleagues can make suggestions and communicate with management executives. 4. Each unit holds weekly and monthly meetings on a regular basis, and cross-unit meetings are held as needed. 5. A total of 85 education and training sessions were held in 2024, including 31 physical courses, 48 online courses, and 6 package courses. 2735 people participated in trainings, and the total number of training hours was 3732 hours. 6. The Company's strategies, goals and directions are announced once annually.
Customers	Business performance Product quality and service Workplace safety and health	1. Periodic meetings 2. Visiting clients or client visits 3. Customer on-site factory evaluation	1. 2-3 times per year. 2. Irregular online meetings and physical visits, and participation in seven physical exhibitions in 2024. 3. Several times a year, factory inspections and visits on an occasional basis.
Suppliers	Business performance Business strategy Sustainable development Supply chain management	1. Visiting suppliers or supplier visits 2. Supplier business communication 3. Supplier evaluation	1. Several times a year, meetings are held on an occasional basis. 2. Bilateral business communication at any time as necessary. 3. Level 1 supplier evaluation of

			Taipei headquarters is conducted once annually. (According to the 2023 Sustainability Report)
Investors	Business performance Business strategy Sustainable development Compliance	1. Shareholders' Meeting 2. Board of Director 3. Investor conference 4. Corporate website/Market Observation Post System (MOPS)	1. Once a year, held in June 2024. 2. 6 time in 2024. 3. 1 time in 2024. (11/11) 4. Released 26 material information in 2024.
Government/competent authority	Compliance Corporate governance Environmental management and assessment	1. Market Observation Post System (MOPS) 2. Public announcement website	1. The annual audit plan implementation, educational training hours and personnel, and internal control statement are reported annually in compliance with the regulations. 2. In compliance with the government announcement.

2023 Improvement Plan for Performance Evaluation of Board of Directors

Item	External evaluation recommendation	Improvement plan and action
I	Plan for Board members to take diversified courses	➢ Given the global pandemic and the prolonged overseas assignments of some Board members, an online diversity program will be made available to Board members as needed, assisting the directors in acquiring new knowledge and keeping up with the evolving functions and roles of the Board to enhance its effectiveness and achieve corporate governance targets.
II	Establish a system to guide new directors in swiftly familiarizing themselves with the company	➢ In the event of future re-election of directors, we will plan industry-related seminars, briefings, and guided business tours for new directors. We will also provide the necessary written information for the directors' responsibilities, and invite them to participate in management meetings. This will assist new directors in swiftly familiarizing themselves with company's industry environment, operation direction, and Board operating model, allowing them to exert operational efficiency of the Board as early as possible.
III	Establish multiple communication channels to enhance stakeholder interaction and management	➢ The Company has set up a stakeholder communication section on its corporate website to provide stakeholders with contact information for spokespersons and the corresponding windows, with dedicated personnel to respond appropriately. We also offer multiple communication channels, including meetings (online and physical), phone calls, emails, correspondence, etc., and regularly report our stakeholder communications to the Board of Directors in order to continually enhance stakeholder interaction and management.
IV	ESG issues can be incorporated into the Board strategic discussions, with regular reports on the implementation	➢ In the future, when planning material decisions, the Board of Directors will incorporate the assessment of ESG sustainability objectives and related issues as needed to constantly enhance corporate sustainability and strengthening international competitiveness. ➢ Since 2022, the Sustainable Development Commission has been reporting to the Board of Directors regularly in the fourth quarter of each year on sustainability performance for the year and target setting for the following year.
V	Establish "intellectual property" and "trade secret" management procedures to reinforce the risk management function of the Board of Directors	➢ The Company has established the "Regulations Governing Intellectual Property Management and Code of Conduct," which covers the management of "business secrets" and has been approved by the Board of Directors. The management department has assigned dedicated personnel to handle intellectual property management. The annual management plan and its implementation are regularly reported to the Board of Directors and made available on the official corporate website.

TIRI

Taiwan Investor Relations Institute

Board performance evaluation certificate

To **TEX-RAY INDUSTRIAL CO., LTD.**:

On December 5, 2024, Taiwan Investor Relations Institute (hereinafter referred to as the "Institute") was entrusted by TEX-RAY Industrial Co.,Ltd. (hereinafter referred to as the "Company") to conduct the external evaluation service on the performance of the Board of Directors of the Company. The evaluation data period is from January 1, 2024 to December 31, 2024.

The Institute issued a Board Performance Evaluation Report for the Company on January 22, 2025 based on the Board meeting minutes, current internal policies, other supporting documents and public information provided by the Company. Furthermore, the evaluation also includes relevant questionnaires and field survey evaluation result.

Taiwan Investor Relations Institute

Chairman Tsung-Lin Kuo

Authorize unit managers to make decisions according to the layered responsibilities.

January 22, 2025

(IV) Information about Remuneration Committee:

(1) Information of Remuneration Committee Members

December 31, 2024

Identity (Note 1)	Name \ Qualifications	Professional qualification and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member concurrently serves as an remuneration committee member
Chairman (Independent Director)	Tsai Chao-Lun	MBA, University of Wisconsin; Chairman, FORMOSTAR GARMENT CO., LTD.; Director, BES Engineering Co., who is held satisfying Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	Considered satisfying Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, as neither he/she or his/her spouse or relative within the second degree of kinship holds a position in the Company.	None
Member (Independent Director)	Chu Hsing-Hua	Master of Textile Engineering, Feng Chia University; Vice Director-General, Intellectual Property Office, MOEA; Director, Taiwan Textile Research Institute; Adjunct Associate Professor, Oriental Institute of Technology	Same as above	None
Member (Independent Director)	Lin Cheng-Te	Department of Business Administration, National Chung Hsing University. Chairman, Modern Times Financial Co., Ltd.	Same as above	None

Note 1: Please specify the relevant years of work experience, professional qualifications, experience, and independence of each member of the Remuneration Committee in the table. For

independent directors, please specify and note that relevant information can be found in Table 1 Directors and Supervisors Information (I) on page 18. Please describe the party's identity as director, or others (with additional remark for the role of convener, if any).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Independence status: Specify if the members of the Remuneration Committee meet the criteria for independence, including but not limited to (1) whether the individual and spouse or relatives within the second degree of kinship thereof are serving as directors, supervisors, or employees of the Company or its affiliates; (2) the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or by nominee arrangement) and percentage; (3) whether the individual is serving as a director, supervisor, or employee of a company with specific relations with the Company (refer to Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); (4) the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.

Identity (Note 1)	Qualifications / Name	Whether he/she is equipped with more than five years of working experience and the following professional qualification			Independence (Note 2)										Number of other public companies in which the member concurrently serves as a remuneration committee member	Remark
		An instructor or higher 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-at-law, 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 field 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		
Independent Director	Tsai Chao-Lun			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	-	
Independent Director	Chu Hsing-Hua	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	-	
Independent Director	Lin Cheng-Te			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	-	

Note 1: Please describe the party's identity as director, independent director or others.

Note 2: For the members who match the following descriptions within the two years before they assume the positions and during their term of office, please enter “ ” under the corresponding code.

(1) Not an employee of the Company or its affiliated companies.

(2) Not a director or supervisor of the Company or any of its affiliated companies (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, the Company and its parent company or subsidiary or a subsidiary of the same parent company).

(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 one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.

(4) Not a manager of (1), or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).

(5) Not a director, supervisor, or employee of any juristic-person shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 juristic-person shareholders of the Company, or of the juristic-person shareholders who appoint their representatives to serve as the director or supervisor the Company in

accordance with Paragraph 1 or Paragraph 2, Article 27 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, the Company and its parent company or subsidiary or a subsidiary of the same parent company).

(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the directors or voting shares of the 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, the Company and its parent company or subsidiary or a subsidiary of the same parent company).

(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the 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, the Company and its parent company or subsidiary or a subsidiary of the same parent company).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business relationship with the Company (this restriction does not apply where the specific companies or institutions hold more than 20% but less than 50% of the total shares issued by the Company and the member is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent company or subsidiary or a subsidiary of the same parent company).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past 2 years has received cumulative compensation not exceeding NT$500,000, or a spouse thereof, provided, 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 Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not meet the circumstances referred to in Article 30 of the Company Act.

(2) Information about functionality of the Remuneration Committee

I. The Company's Remuneration Committee consists of 3 members.

II. The current members' term of office: The term of office commences from August 13, 2024 until June 13, 2027. A total of 2 meetings (A) of the Remuneration Committee were convened in the most recent year, and the members' qualifications and attendance status are as follows:

Job title	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual presence ratio (%) (B/A) (Note)	Remark
Convener	Tsai Chao-Lun	2	-	100	
Member	Chu Hsing-Hua	2	-	100	New elected on July 12, 2021 (independent director)
Member	Lin Cheng-Te	1	1	50	New elected on June 9, 2023 (independent director)

Other disclosures to be noted:

I. Should the Board rejects or modifies the suggestions from the Remuneration Committee, state the date, session, contents of the motions, resolution made by Board meeting and results thereof, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.

II. Should any resolution(s) by the Remuneration Committee be passed but with member voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

Note: (1) Before the end of the year, if a member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Remuneration Committee meeting was convened (times) and his/her actual presence (times) during his/her term of office.

(2) If any re-election of Remuneration Committee members has taken place before the end of the financial year, members of both the previous and the current Remuneration Committee shall be listed, and the "Remarks" field shall be indicated with the information of the committee member as former member, newly elected member or consecutive term of office and the re-election date. The actual presence rate (%) will be calculated based on how often the Board meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

III. The motion content and the resolution result of the Remuneration Committee for 2024

Date/Time	Contents of Motion
1st meeting of the 6th term October 16, 2024 (Wednesday)	1. Amendment to the Company's salary structure table.
	Approved unanimously upon the chair's inquiry with all present members.
2nd meeting of the 6th term November 12, 2024 (Tuesday)	1. The Company's 2024 year-end bonus distribution criteria for managerial officers.
	Approved unanimously upon the chair's inquiry with all present members.

(V) Risk Management Committee Member Information and Implementation Status:

(1) Appointment Criteria of Risk Management Committee Members and Responsibilities

The Company's objective is to incorporate risk management into business activities and daily management processes via a comprehensive risk management framework. The committee members are appointed by the Board of Directors, and the number of members shall not be less than three, and a majority of members shall be independent directors. The main responsibilities are as follows:

- Review the risk management policy, procedures and structure, and regularly review the applicability and execution effectiveness.
- Determine the risk appetite, and provide guidance on resource allocation.
- Determine the risk control priority sequence and risk level
- Risk Management Review Implementation Status

(2) Professional Qualification, Experience, and Operation of Risk Management Committee Members

- The Company's Risk Management Committee consists of a total of 3 members.
- The current members' term of office: The term of office commences from August 13, 2024 until June 13, 2027. A total of 1 (A) meeting of the Risk Management Committee was convened in the most recent year. The committee members' qualifications and attendance status are as follows:

Job title	Name	Professional qualifications and experience	Actual presence (times) (B)	Presence by proxy (times)	Actual presence ratio (%) (B/A) (Note 1, Note 2)	Remark
Convener	Ray Lin	Note 3	1	-	100%	Elected and assumed the position on 2024.08.13
Member	Tsai Chao-Lun	Note 3	1	-	100%	Elected and assumed the position on 2024.08.13
Member	Chen Wen-He	Note 3	-	1	-	Elected and assumed the position on 2024.08.13

Note 1: Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

Note 2: If a re-election of independent directors had taken place prior to the close of the financial year, members of both the previous and the current independent directors are listed; in which case, the remarks column would specify whether the independent director was the former independent director or was re-elected or newly elected, and the date of election. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

Note 3: Professional scope for Risk Management Committee members: Please refer to 2024 Annual Report, Three. Corporate Governance Report-I-(II) Disclosure of Professional Qualification of Directors and Supervisors and Independence of Independent Directors for details.

Resolutions of Risk Management Committee in 2024:

Risk Management Committee Term Number and Date	Proposal Content and Subsequent Handling
1st meeting of the 3rd term December 25, 2024	1. Discussion on the risk management implementation status of the parent company TEX-RAY in 2024.
	2. Discussion on the risk management implementation status in Vietnam production area, Eswatini production area and, and Yancheng production area in 2024.
	Resolution Result of Risk Management Committee: Approved by all attending committee members, and reported to the Board of Directors.
	Response of the Company to Opinions of Risk Management Committee: Response has been provided

(VI) Information on Sustainable Development Committee Members and Implementation Status:

(1) Appointment Criteria of Sustainable Development Committee Members and Responsibilities:

To deepen the corporate sustainable governance culture and to optimize the supervisory function of the Board of Directors on sustainable governance, according to Article 4 of the Sustainable Development Committee Charter, the number of members of the Committee shall not be less than three. The Board of Directors has resolved on November 12, 2024 to appoint the Chairman Ray Lin, Independent Director Tsai Chao-Lun, and Independent Director Chen Wen-He to act as members of the Committee, and President Lin Tsung-Yi to act as the Chief Sustainability Officer, in order to facilitate the promotion of sustainable development related works.

Job title	Name	Educational Background and Experience	Expertise
Chairman (Chair)	Ray Lin	MSM, Baker University	Garment industry related expertise
Independent Director	Tsai Chao-Lun	MBA, University of Wisconsin University Chairman, FORMOSTAR GARMENT CO., LTD. Director, BES Engineering Inc.	Garment industry related expertise
Independent Director	Chen Wen-He	MBA, Chung Yuan Christian University CPA Independent Director, G-TECH Optoelectronics Corporation	Expertise in finance and accounting
Chief Sustainability Officer	Lin Tsung-Yi	University of New Haven	Exercise in management and garment industry

Responsibilities of the Sustainable Development Committee include:

I. Establish, promote and strengthen the Company's sustainable development policy, annual plan and strategies, etc.

II. Review, track and revise the sustainable development implementation status and results.

III. Supervise the sustainable information disclosure and review the sustainability report.

IV. Supervise the Company's compliance with the Sustainable Development Best Practice Principles or implementation of other sustainable development related works resolved by the Board of Directors.

(2) Professional Qualification and Experience of Sustainable Development Committee Members and Implementation Status

● The Sustainable Development Committee of the Company consists of 3 chairpersons.

● The term of office of present members is from November 12, 2024 to June 13, 2027. The Sustainable Development Committee held 1 meeting (A) in the most recent year. The professional qualifications and experience, attendance and discussion of the members are as follows:

Job title	Name	Professional qualifications and experience	Actual presence (times) (B)	Presence by proxy (times)	Actual presence ratio (%) (B/A) (Note 1, Note 2)	Remark
Convener	Ray Lin	Note 3	1	-	100%	Elected and assumed the position on 2024.11.12
Member	Tsai Chao-Lun	Note 3	1	-	100%	Elected and assumed the position on 2024.11.12
Member	Chen Wen-He	Note 3	-	1	-	Elected and assumed the position on 2024.11.12

Note 1: Chen Wen-He passed the qualification certificate for the sustainable development basic ability examination of the Securities and Futures Commission on April 14, 2024.

Note 2: Lin Tsung-Yi participated in the course of sustainable development and obtained the certificate of course completion in 2024.

Note 3: Professional scope for Risk Management Committee members: Please refer to 2024 Annual Report, Three. Corporate Governance Report-I-(II) Disclosure of Professional Qualification of Directors and Supervisors and Independence of Independent Directors for details.

(3) Resolutions of the Sustainable Development Committee in 2024:

Date	Content	Resolution Result
2024.12.25	1. 2024 Sustainability Progress Report 2. 2025 Sustainability Work Plan Discussion	Approved by all attending members

(V) Fulfillment of Social Responsibilities:

Implementation of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx-listed Companies and the reasons therefor:

Item	Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
I. Has the Company implemented a governance framework that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	✓		The Company adheres to the vision and mission of the ESG policy. In 2016, we formed the "CSR Committee," which was later renamed the “Sustainable Development Commission" in 2022, acting as the top sustainability decision-making center within the company. The Group president, authorized by the Board of Directors, chairs this Commission and collaborates with senior executives from various departments to review our core operational capabilities and establish medium- and long-term sustainability plans. In addition, in November 2024, Chairman Ray Lin, Independent Director Tsai Chao-Lun and Independent Director Chen Wen-He assumed the role of the chairpersons, and divided into five teams of the corporate governance team, sustainable environmental development team, human rights development team, social participation team, and sustainable information disclosure team. Director Lin Tsung-Yi acts as the Chief Sustainability Officer for vertical and horizontal integration and providing horizontal cross-department communication platform. Sustainability topics related to the Company's operation and concerned by stakeholders are identified during the quarterly meetings. The teams also	No deviation, as explained above.

			formulate corresponding strategies and guidelines, prepare organizations' budgets related to sustainable development, plan and execute annual programs, and monitor implementation results to ensure the thorough integration of sustainable development strategies into the Company's daily operations. The chairperson of the “Sustainable Development Commission” reports to the Board of Directors during the fourth quarter of each year and from time to time on sustainable development annual implementation outcomes and future work plans. Proposal content for 2024 includes: (Report date: November 12, 2024) P91 ●Plan, policy and effectiveness related to the sustainability topics of the current year; ●Optimization of future sustainable work projects and processes. The Board of Directors receives regular reports from the management team (including ESG-related issues). The management team is also responsible for proposing corporate strategies to the Board, which shall evaluate the likelihood of success of these strategies, frequently review their progress, and urge the management team to make adjustments when necessary.	
II. Does the Company, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	✓		1. The Company's risk assessment boundary is based on the main operating sites, including Taiwan, Vietnam, Mainland China, the United States, and Eswatini. 2. The Sustainable Development Commission will conduct the analysis based on the materiality principle of the Sustainability Report. The Commission communicates with internal and external stakeholders, reviews research reports and literature, and integrates evaluation data across units. The information is used to evaluate material ESG topics, formulate effective risk management policies for identifying, measuring, assessing, supervising, and controlling risks, and to adopt specific action plans to mitigate the impact of associated risks. 3. According to the risk assessed, relevant risk management policies or strategies have been established as follows: Please refer to pages 72-74 and the Sustainability Development	No deviation, as explained above.

section on the Company's website.
(https://www.texray.com/csr-tw/?lang=zh-hant)

Material topics		Risk identification	Risk management strategy
E	Environment, energy and greenhouse gas (GHG) management	Increasingly stringent environmental requirements, and increase of energy cost	1. The "environmental sustainability team" has been established under the Sustainable Development Committee to perform environmental risk assessments, update regulatory trends, execute environmental management goals and programs, and assist domestic and overseas factories in implementing environmental management. 2. A dedicated environmental safety and health unit has been set up in the factory in compliance with the government policy of the respective site, to regularly review the effectiveness of implementation, and to fulfill the commitment to a sustainable environment through circular management. 3. The Company uses

						ow-energy consumption equipment, installs natural energy devices, and encourages staff to develop eco-friendly lifestyles, in order to reduce electricity consumption from production activities. 4. Alternatives and use of renewable energies are assessed.		
			S	Talent appointment and development Salary and benefits	Loss of excellent and potential development talents	1. The “Education and Training Management Regulations” are established based on the Company’s overall development strategy. Through integration of the resources inside and outside the enterprise, the abilities for employees necessary for future development and promotion are developed. 2. Talent development and training systems are optimized. 3. A sound and multi-dimensional labor-management communication channels and management policies are established.		

						4. A total of 85 education and training sessions were held in 2024, including 31 physical courses, 48 online courses, and 6 package courses. 2735 people participated in trainings, and the total number of training hours was 3732 hours. 5. The Company's strategies, goals and directions are announced once annually.		
			G	Business performance	Market economic impacts, elevating customer operational risks	1. Implement 3A2B customer policy to diversify order acceptance operational risks. 2. Implement customer credit ratings and apply for accounts receivable insurance.		
				Supply chain management	Non-compliant suppliers	1. Comply with the “Supplier Management Policy” and execute contract signing with suppliers to ensure the suppliers’ compliance with various laws and requirements; and implement a management mechanism		

						requiring pre-cooperation interview with suppliers, evaluation prior to execution of contract and routine evaluation. 2. Conduct periodic supplier evaluations to eliminate non-compliant suppliers.		
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		1. The Company has formed the environmental sustainability taskforce under the Sustainable Development Commission. This taskforce is accountable for creating an environmental management system (as per ISO14001), devising a greenhouse gas (GHG) inventory (as per ISO14064-1), and establishing energy-saving and carbon-reducing indicators and action plans. We collaborate closely with our domestic and overseas factories to ensure compliance with customer specifications and environmental regulations specific to each country where our plants are located. 2. The following international verification standards are validated by third-party accreditation: ●ISO 14001 (valid until November 1, 2025 for Long An and Binh Duong plants in Vietnam) ●Oeko-Tex 100 (valid until 2026.01.31 for Long An factory in Vietnam)						No deviation, as explained above.
(II) Is the Company committed to making efficient use of energy, and using renewable materials that produce less impact on the environment?	✓		The Company actively promotes various energy-saving measures, prioritizes the procurement of energy-saving and carbon-reducing equipment with environmental protection labels, gradually replaces energy-consuming equipment or installs power-saving devices to enhance the production energy efficiency, and plans to install solar power generation systems at each factory site. With 2023 as the base year, the Company aims to reduce the energy consumption per unit product by 5% by 2028. The Company is committed to developing products and services						No deviation, as explained above.

			with sustainable value through innovative ideas. The management approach originates at the Taiwan headquarters, which has implemented a green procurement policy and prioritizes the use of green-production office supplies such as recycled paper and biodegradable plastic bags. We recommend customers to adopt sustainable concepts during the product development by using raw materials such as yarn/fabric made from recycled PET bottles and BCI-certified cotton. Moreover, we incorporate waste recycling and utilization into our production process to reduce unnecessary resource wastage and collaborate with upstream and downstream partners in the value chain to seek waste reduction and reuse technology development. The detailed data, promotion measures, and performance tracking are disclosed in the Company's Sustainability Report. (https://www.texray.com/csrreport/?lang=zh-hant)	
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt related responsive measures?	✓		The Company evaluates the risks and opportunities of climate change to the Company in accordance with the TCFD Recommendation framework published by the Financial Stability Board. The Sustainable Development Committee regularly reviews, analyzes and discloses the impact of climate change on the Company in all aspects, future response strategies and actions. Also, the implementation status and future plans are reported to the Board of Directors. The Company completed its latest climate risk assessment at the end of 2021, focusing on four major risks related to transition and physical risks respectively: greenhouse gas (GHG) emission control and international carbon pricing mechanisms, low-carbon technology transformation and development, rising environmental awareness among customers and markets, and corporate reputation; climatic effects of typhoons and rainstorms, shortages of water and electricity resources, rising temperatures, and reduced raw material production. To reduce the risk factors mentioned above, the Company has developed corresponding strategies and opportunities identification	No deviation, as explained above.

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<td>to enhance organizational climate resilience and move toward sustainability. In terms of transition risks, the company plans to develop a process adjustment plan for renewable energy introduction, green production and innovation. In terms of physical risks, the company has formulated emergency response mechanisms and strengthened its infrastructure measures. To capitalize on opportunities, we will focus on developing products with sustainable concepts and seek for green supply chains to enhance product efficiency and promote low-carbon green production.
The detailed explanation of the Company's analysis of climate change risks and opportunities is disclosed in the Company's Sustainability Report.
(https://www.texray.com/csrreport/?lang=zh-hant)</td>
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<td>(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aimed at reducing GHG, water, or other wastes?</td>
<td>✓</td>
<td></td>
<td>The Company adheres to the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" specifications on GHG disclosure timelines set by the Taiwan Stock Exchange. We plan to gradually include our overseas factories in the scope of inventory and external verification. Our goal is to complete the emissions inventory for Scope 1 and Scope 2 of all factories by 2026 and complete external verification by 2028. Over the past two years, our Taipei headquarters in Taiwan and the Vietnam factory have conducted Scope 1 and Scope 2 inventories in accordance with the ISO 14064-1 specification. Additionally, the Vietnam factory has completed third-party verification.
GHG emissions in the most recent two years: (unit: t-CO2e)
<table>
<tr><td colspan="2">Year</td><td colspan="2">2023</td><td colspan="2">2024</td></tr>
<tr><td colspan="2">Item
(Unit)</td><td>Emissions</td><td>Intensity</td><td>Emissions</td><td>Intensity</td></tr>
<tr><td rowspan="2">Taipei Headquarters</td><td>Scope 1</td><td>-</td><td rowspan="3"></td><td>-</td><td rowspan="3"></td></tr>
<tr><td>Scope 2</td><td>249.98</td><td>237.92</td></tr>
<tr><td colspan="2">Total</td><td>249.98</td><td>237.92</td></tr>
<tr><td rowspan="2">Garment Business Unit - Vietnam</td><td>Scope 1</td><td>170.00</td><td rowspan="2"></td><td>113.55</td><td rowspan="2"></td></tr>
<tr><td>Scope 2</td><td>2,893.00</td><td>1,764.03</td></tr>
<tr><td colspan="2">Total</td><td>3,063.00</td><td>0.0067</td><td>1,877.58</td><td>0.0060</td></tr>
<tr><td>Garment Business</td><td>Scope 1</td><td>-</td><td></td><td>75.93</td><td></td></tr>
</table>
</td>
<td>No deviation, as explained above.</td>
</tr>
</table>

Unit - Eswatini	Scope 2	-		1,049.95	
Total		-		1,125.88	0.0016
Fabric Business Unit - Eswatini	Scope 1	-		13,031.54	
	Scope 2	-		4,031.09	
Total		-		17,062.63	0.0070

Description:
1. Scope 2 emission sources refer to externally purchased electricity.
2. Emissions from Taiwan Headquarters are calculated based on the carbon emissions indicated in Taiwan Power Company's periodic electricity bill.
3. Emissions data for Vietnam production area is verified with a third party assurance statement.
4. Pingyang Plant in Vietnam production area has been suspended for operation; therefore, since 2023, the report scope refers to Longan Plant only.
5. The GHG emissions of Eswatini production area started to be calculated in 2023, and the calculation is performed by using the "Carbon Emissions Fee Calculator" provided by the Industrial Development Bureau, Ministry of Economic Affairs.
6. Emissions intensity:

- Taiwan is the headquarter of the Company, and there are no production factories in Taiwan.
- Garment Business Unit: Total emissions/dozen of product output
- Fabric Business Unit: Total emissions/kg of product output
- Water consumption in the most recent 2 years (unit: million liters)

Year	Taipei Headquarters	Vietnam	Eswatini
2022	4.17	58.31	-
2023	4.45	36.14	491.19

Description:
1. The water supply source is the local tap water company at the operation site.
2. Pingyang Plant in Vietnam production area has been suspended for operation; therefore, since 2023, the report scope refers to Longan Plant only.

3. The water consumption in Vietnam production area in 2022 and 2023 was certified by a third party. (ISO 14001 and HIGG vFEM includes water consumption certification)
4. The Eswatini production area is included in the scope of report since 2023.

Waste quantity in the most recent 2 years: (unit: tons)

Year		Taipei Headquarters	Vietnam	Eswatini
2022	Hazardous wastes	0.03	0.06	-
	Non-hazardous wastes	25.73	85.20	-
2023	Hazardous wastes	0.03	0.07	8.02
	Non-hazardous wastes	27.44	100.00	1,430.24

Description:
1. All wastes are handled by qualified contractor for disposal, transportation and treatment.
2. Pingyang Plant in Vietnam production area has been suspended for operation; therefore, since 2023, the report scope refers to Longan Plant only.
3. The Eswatini production area is included in the scope of report since 2023.

With the base year of 2023, the Company aims to reduce the GHG emissions and water consumption per unit product by 5%, and the total amount of waste by 5% by 2028 in keeping with TEX-RAY Industrial Co., Ltd.'s commitment to a sustainable environment. The main measures to achieve the reduction target are as follows:

			● GHG emissions: The primary emission source is external purchased electricity, and at present, the main approach is to adopt low-energy consumption equipment, install natural energy devices, and cultivate employees' habits of sustainable living. Replacement of ice water chiller at the Taipei Headquarters in 2023: It is expected to save approximately 250,000 KWH of electricity per year, saving 36% of electricity consumption, and to reduce approximately 123.85 tonnes of GHG emissions per year. (based on the 2022 electricity emission factor of 0.495kg CO2e/kWh announced by the Bureau of Energy, MOEA) ● Water Consumption: Starting from the origin, we plan to improve the production process or technology, develop products that reduce water consumption during manufacturing processes, install water-saving equipment in factories, and introduce a rainwater reclamation system. ● Waste: We have implemented the recycling and reuse of waste generated during the production process and collaborated with upstream and downstream partners in the value chain to seek waste reduction and reuse technology development. The data on GHG emissions, water consumption, and total waste weight generated in the past two years, as well as detailed management policies, initiatives, and performance tracking, are publicly disclosed in the Company's Sustainability Report. (https://www.texray.com/csrreport/?lang=zh-hant)	
IV. Social issues (I) Does the Company develop its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		The Company does comply with the Labor Standards Act and related laws and regulations. Following the "Core Conventions of the International Labour Organization," we have established human rights-related policies such as gender equality, prohibition of child labor, prohibition of forced labor, and employment discrimination, and provide a transparent grievance mechanism for employees. The Company regularly examines its operations, value chain, and other related activities by focusing on major social issues, data monitoring, and legal regulations to identify and evaluate potential	No deviation, as explained above.

			human rights risks. Based on the potential risks, we develop human rights issue management policies and control plans and continuously monitor and improve plan execution results. Below is a summary of the Company's policies and plans for managing human rights. 1. The Company strictly prohibits forced labor and ensures compliance with all local laws and regulations at every business location. Implemented the labor law leave system that encourages employees to find their work-life balance. 2. Establish a safe and healthy work environment Help employees maintain physical and mental health and achieve work-life balance. (To learn more about our efforts to promote sustainable development, please see page 64 of this annual report - Social Issue (III) “Providing a Safe and Healthy Work Environment for Employees".) 3. Ensure a secure basic salary and offer various benefits: We have a systematic salary structure and promotion policy, along with assorted subsidies and bonuses. (To learn more about our efforts to promote sustainable development, please see page 63 of this annual report’s - Social Issue (II) "Employee Welfare Measures".) 4. Implement human rights certification and educational training related to human rights protection. Each factory has been successively conducting international human rights verifications such as WRAP (Worldwide Responsible Accredited Production), SLCP (Social and Labor Convergence Program), or SMETA (Sedex Members Ethical Trade Audit), and obtaining relevant certificates and reports, and has implemented human rights-related training courses for employees at least once a year.	

(II) Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	✓		<u>Remuneration of employees</u> According to the Articles of Incorporation, if profits are made in a given year, 2% shall be set aside for employee compensation. The distribution can be distributed in the form of stock or cash by resolution of the Board of Directors. At the same time, the company's remuneration policy reflects job contribution, individual competency, and performance, which is positively correlated with business performance. To achieve the commitment in net zero emissions by the end of 2050, the sustainable operation participation is included in the performance evaluation. <u>Employee welfare measures</u> The company has established the Employee Welfare Committee. Each year, we allocate a certain percentage of funds to handle various welfare matters for colleagues, including employee travel, wedding and funeral allowances, three festivals and birthday cash gifts, birthday parties, annual physical examinations, etc. Furthermore, the company offers several other welfare measures such as annual senior employee recognition, meritorious staff recognition, birthday books, employee group insurance, etc. In addition to the statutory labor insurance and health insurance for employees, we also provide colleagues with other insurance policies through group insurance, such as life insurance, medical (accidental and hospitalization), overseas emergency relief, disability insurance, etc., so as to ensure the well-being of our employees. As for the leave system, the Company has established relevant personnel management measures that cover working hours and leave in compliance with the regulations outlined in the Labor Standards Act. In the event that colleagues need an extended period of time off for situations such as childcare, major injuries and illnesses, or major accidents, they may also apply for leave of absence without pay to balance the needs of personal and family care. <u>Workplace diversity and equality</u>	No deviation, as explained above.

			The Company values stability and the recruitment and retention of talented individuals. Meritocracy is the guiding principle for all human resources processes, including recruitment, hiring, and promotion. There shall be no discrimination on gender, nationality, race, religion, class, age, marital status, social status, or any other personal characteristic. <u>Retirement system</u> The Company has established a retirement management method for formal employees within the organization. For those who apply to the pension system under the "Labor Standards Act," the Company will contribute 2% of their total monthly salary as pension funds, which is deposited into an exclusive account in the name of the Labor Retirement Reserve Supervisory Committee at the Bank of Taiwan. The Committee members hold meetings from time to time to discuss relevant matters. Two bases will be given to each employee whose service seniority is less than 15 years (inclusive) for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The employee retirement fund is paid based on the employee's service seniority and the average salary (base) within 6 months prior to the date of approval for the retirement. For employees who apply to the "Labor Pension Act," 6% of their monthly salary is allocated as pension funds and deposited into individual accounts at the Bureau of Labor Insurance <u>Business performance is reflected in employee remuneration</u> According to the Articles of Incorporation, if profits are made in a given year, 2% shall be set aside for employee compensation. The distribution can be distributed in the form of stock or cash by resolution of the Board of Directors. At the same time, the company's remuneration policy reflects job contribution, individual competency, and performance, which is positively correlated with business performance. Through participating in market remuneration surveys, the	

			Company adjusts remuneration in a timely manner based on economic trends and personal performance to maintain overall competitive remuneration. In 2024, the average annual salary increase was 5% for managers and non-managers in Taiwan, with a maximum of 20% for some individuals.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		In order to maintain the health and safety of the employees' working environment, the Company establishes the Occupational Safety and Health Management Committee dedicated to ensuring successful functioning of the EHS self-management mechanism functions successfully and efficiency of the decision made for safety and health issues. Meanwhile, the Company implements the following measures: 1. Headquarters in Taipei: (1) Review and improvement of issues related to the maintenance of the work environment for employees. (2) Fire control inspection is performed on the building once annually according to the Fire Services Act and fire control education and training is implemented twice annually. (3) Maintain escalators and elevators of the building on a monthly basis. (4) Electrical and mechanical inspection and power generator maintenance are performed monthly for the building. (5) Dedicated personnel perform daily cleaning and annual major cleaning of the building once annually. (6) The building is regularly disinfected twice a year, and is treated for pest control and mouse hazard prevention on a monthly basis. (7) Entry/exit access control is implemented in response to epidemic control of noticeable infectious diseases. (8) 24-hour security and access control management is implemented. 2. The factories at various production sites have established their own management units dedicated to EHS:	No deviation, as explained above.

			(1) Patrol inspection is implemented to ensure various health and safety protection and to inspect fire control equipment. In case where any deficiencies are found, the responsible unit is immediately notified to make necessary improvements. Then, the environmental safety and health unit tracks these improvements to ensure a safe working environment for all employees. (2) Through environmental safety and health or health issue related education and training, such as fire drill/training, safety and health training, labor safety meetings, etc., the concept is rooted to ensure that all employees participate in various related activities. 3. The Headquarters in Taipei organizes the employees' health checkup periodically each year to enable the employees to know about their personal physical health condition. 4. Health checkup and seminars: Employees' health is the Company's largest asset. TEX-RAY works with the regional hospital to provide employees with health checkup once per year, as well as the physician consulting service. Meanwhile, the Company keeps organizing the health promotion activities and seminars, and retains professional registered nurses or trainers to give a speech in the Company. 5. All of our production sites around the world place emphasis on providing a safe and healthy work environment for our employees. To ensure this, we have successively obtained relevant international verifications such as WRAP (Worldwide Responsible Accredited Production), BetterWork, and WCA (Workplace Conditions Assessment). The Taipei Headquarters arranges medical personnel to perform on-site labor health services monthly, and monthly care is provided to prevent occurrence of occupational injuries and diseases. 6. The Headquarters in Taipei and factories at various production sites all have the personnel who have obtained the first-aid licenses and EHS certificates in place.	

(IV) Does the Company have an effective career capacity development training program established for employees?	✓		The Company has established comprehensive job training for supervisors and associates at all levels, including orientation training, professional advancement training, managerial training, etc., to assist colleagues in continuing learning and growth through multiple learning methods. Starting in 2021, the TEX-RAY ProjetT has been launched to evaluate and develop employees with potential through systematic and standardized procedures. The project aims to assist potential talents within the company in career planning through mentorship, personal development plans, and departmental internship programs, project missions and process improvement proposals, thereby ensuring a steady supply of talent for the organization. A total of 85 education and training sessions were held in 2024, including 31 physical courses, 48 online courses, and 6 package courses. 2735 people participated in trainings, and the total number of training hours was 3732 hours. The Company conducts annual job performance reviews and individual development plan (IDP) for all employees, which serves as crucial reference information for educational training. With reference to the employee career development and special task requirements outlined in their job descriptions, we plan a learning blueprint curriculum for employees. By integrating internal and external corporate resources, our goal is to build the capabilities required for employee future development and promotion. Detailed development training content and training hours are publicly disclosed in the Company's Sustainability Report. (https://www.texray.com/csrreport/?lang=zh-hant)	No deviation, as explained above.
(V) Does the Company comply with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implement consumer or customer interest protection policies and grievance procedures?	✓		The Company establishes its code of conduct in accordance with related laws and international guidelines, in order to protect customers' health and safety, customers' privacy, consumers' interest and right of grievance. The production environment and products satisfy local laws, and the specifications and requirements adopted by customers. Meanwhile, the Company has also passed the GRS (Global Recycled Standard) certification and OKEO-TEX Standard 100 toxic-free certification (European eco-textile	No deviation, as explained above.

			standards) successively, in order to protect consumers' health, and various social responsibility certifications required by customers, such as WRAP, BetterWork and WCA. The Company values customers' opinion, communicates with customers periodically for the customer satisfaction survey, and also adopts the "Ethical Management Best Practice Principles" and "Code of Ethical Conduct." Meanwhile, it sets up the whistleblower section on its website to protect customers' and consumers' interest and right of grievance.	
(VI) Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	✓		The Company has established supplier management policies and regulations, that not only ensure the quality, price, delivery time, and goodwill of suppliers' goods and other basic evaluation criteria but also require them to comply with regulations and TEX-RAY Supplier Specification on environmental protection, occupational safety and health, and labor rights. Moreover, we have formulated corresponding supplier evaluations and guided suppliers to obtain relevant certifications according to the procurement nature in order to build a sustainable development partnership. Additionally, priority is given to suppliers with environmental certifications such as GRS, OEKO-TEX or ZDHC when it comes to procuring raw materials. The Company has a management mechanism for conducting pre-cooperation visits, pre-contract evaluations, and routine evaluations of suppliers. The Company will procure goods from suppliers rated as excellent based on the evaluation result as the first priority. Suppliers who score below 60 points in the evaluation and fail to improve within the specified period and communication between both parties is ineffective, the supplier will be removed from the qualified supplier list. In 2023, all Level 1 suppliers of the Taiwan Headquarters were included in the evaluation and all of them signed the letter of commitment. The evaluation qualification rate was 94.7%. Description: 1. A Level 1 supplier of the refers to a supplier with the Taiwan	No deviation, as explained above.

			Headquarters' annual purchase amount reaching NT$10 million and above. 2. In 2023, a customer designated supplier evaluation failed to meet the standard without improvement within the time-limit, and after communication, such supplier was removed from the list of qualified suppliers. The detailed implementation status is disclosed in the Company's Sustainability Report. (https://www.texray.com/csrreport/?lang=zh-hant)	
V. Does the Company prepare sustainability report or any report of non-financial information based on international reporting standards or guidelines? Does said report have been assured or guaranteed by a third party certification unit?	✓		The Company's Sustainability Report is prepared and disclosed in accordance with the latest GRI Standards released by the Global Reporting Initiative (GRI), with reference to the TCFD (Task Force on Climate-related Financial Disclosures), SASB (Sustainability Accounting Standards Board) industry standards, and the Regulations Governing the Preparation and Reporting of Sustainability Reports by TWSE Listed Companies. The Company's Sustainability Report has been filed and reported to the Market Observation Post System-ESG digital platform (MOPS) and has been uploaded to the Company website before August 31 of the year of evaluation. The 2023 Sustainability Report has not been verified by a third-party accreditation institution. To ensure the content accuracy and to meet stakeholders' expectations, the financial data quoted in the report is based on financial statements certified by the CPA. All content can only be released to the public after being submitted to the Company's Chairman for approval by the Sustainable Development Committee of TEX-RAY Industrial Co., Ltd.: The 2022 Sustainability Report was prepared by KPMG in accordance with the Standard on Assurance No. 3000 "Assurance of Non-historical Financial Information Audits or Reviews" published by the Accounting Research and Development Foundation. Limited assurance is given for the indicators selected. Details are disclosed in the Company's Sustainability Report. (https://www.texray.com/csrreport/?lang=zh-hant)	No deviation, as explained above.

VI. If the Company has established its own sustainability development principles in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” please describe its current practices and any discrepancies from the Best Practice Principles: The Company's Board of Directors has approved the release of the "Sustainable Development Best Practice Principles" in March 2022. The Company manages its economic, environmental and social risks and impacts in accordance with these principles, and also makes improvements accordingly. No discrepancies in the implementation up to the present day.

VII. Other important information useful to the understanding of sustainable practice: For relevant sustainable development implementation status, please refer to the Company’s website (https://www.texray.com/csr-tw/?lang=zh-hant) and the annual Sustainability Report.

Climate-related Information of TWSE/TPEx Listed Companies

1. Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Status</th></tr>
<tr><td>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>1. The "Sustainable Development Committee" has been established under the Board of Directors. The Board of Directors has appointed Chairman Ray Lin, Independent Director, Tsai Chao-Lun, and Independent Director Chen Wen-He to act as the members of the first term of the Committee, and the Group's President is authorized to act as the Chief Sustainability Officer in order to jointly review the Company's core operating capabilities with the senior executives of various units and to establish mid- and long-term sustainable development plans. The Sustainable Development Commission will review, analyze, and disclose the impacts of climate change on the Company in all aspects, as well as future strategies and actions, and report regularly to the Board of Directors on the implementation and future plans.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long-term).</td><td>2. The identified climate risks and opportunities are explained in the following:
<table>
<tr><th colspan="2">Risk item and impact</th><th>Potential financial impact</th><th>Response measure</th></tr>
<tr><td rowspan="3">Transformation risk</td><td>GHG emission control and international carbon pricing mechanism</td><td>Increase of carbon emission cost, and increase of operating cost</td><td>• Factory with introduction of renewable energy
• Periodic GHG emissions inventory inspection
• Procurement of low-carbon equipment</td></tr>
<tr><td>Transformation and development of low-carbon technologies</td><td>Technology introduction with increase of R&D cost, and increase of operating cost</td><td>• Establishment of green processes
• Investment in the development of eco-friendly products</td></tr>
<tr><td>Increase of environmental protection awareness of</td><td>Increase of R&D cost</td><td>• Investment in the development of eco-friendly products
• Obtaining of relevant</td></tr>
</table></td></tr>
</table>

			customers and market		environmental and product certifications
			Impact on corporate reputation	Market sales loss	• Commitment in green manufacturing and green innovation, and enhance the corporate green image through transparent disclosure
		Physical risks	Increase of flood, causing the suspension of work; high humidity in the factory causing mold in materials	Warehouse installation of dehumidification system, and cost is increased cost; suspension of operation can cause a decrease in operating revenue	• Set up dry room and install humidity control machine • Propose an emergency response plan and mechanism
			Unstable water and electricity supply can affect the production line	Increase of production cost	• Introduction of wastewater and rainwater recycling system • Purchase of energy-saving machines • Propose an emergency response plan and mechanism
			Increase of average temperature, and increase in power consumption with the risk of	Increase of production cost Increase of management cost	• Introduction of renewable energy • Investment in relevant facilities capable of improving the environmental comfort

	power consumption restriction; comfort of the production environment can be affected		
	Natural disasters caused by the extreme climate can cause decrease in raw material production and increase in price.	Increase in purchase cost	• Use of recycled materials to reduce reliance on raw materials

Opportunities for climate change:

Opportunity Item	Potential financial impact	Opportunity Explanation
Renewable energy	Reduce water and electricity operating costs	Popularization of renewable energy can reduce carbon emissions and may also reduce energy-related investment cost.
Recycle of materials	Reduction of carbon footprint Reduction of the cost for waste treatment	Increase the percentage of recycled polyester material and recycled packaging materials, in order to reduce the possible cost incurred due to burying of wastes and treatment of related wastes.
Enhance product efficiency	Satisfy customers' demand for energy-saving products, in order to increase revenue	The environmental awareness of customers and the market has risen, and customers prefer to purchase sustainable brand products, prompting brand makers (customers) to seek

			green factories and to develop and use products made of sustainable materials.
	Promote low-carbon green production	Save electricity consumption, and save costs	Provide customers with more eco-friendly and low energy-consumed services, and manufacture products that are more suitable to future environment, products of greater comfort and eco-friendly products.

The Company has developed short, medium, and long-term response strategies:

- Regarding physical risks, we have formulated emergency response mechanisms and strengthened infrastructure measures. (short-term)
- In terms of transition risks, we use eco-friendly raw materials and energy-saving equipment (short-term), establish green production through innovative processes (medium-term), and plan to introduce renewable energy (mid to long-term).
- In terms of opportunities, we develop products that meet the market's sustainable concept requirements to increase revenue (short-term), as well as establish a green supply chain to improve product efficiency and promote low-carbon and green production. (short, medium, and long-term)

3. Describe the financial impact of extreme weather events and transformative actions.

3. Extreme climate events and transition actions have increased financial risks related to R&D, business, procurement, production, and management costs. However, these events also present opportunities for revenue growth and are expected to result in reduced operating costs associated with hydroelectric power over the medium to long term.

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

4. Based on the results of climate risk and opportunity identification, relevant countermeasures and targets are set, and major risk issues are regularly monitored by the Sustainability Development Commission. The environmental sustainability taskforce reports regularly to the Sustainability Development Commission and leads the Group in setting and implementing carbon reduction targets and strategies.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.

5. The Company has not yet used the scenario analysis to assess the risks of climate change, but will include it in the Group's sustainable development plan implementation in the future.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	6. In terms of transition risks, the company plans to develop a process adjustment plan for renewable energy introduction, green production and innovation. In terms of physical risks, the company has formulated emergency response mechanisms and strengthened its infrastructure measures. To capitalize on opportunities, we will focus on developing products with sustainable concepts and seek for green supply chains to enhance product efficiency and promote low-carbon green production.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. The Company has not yet used internal carbon pricing, but will include it in the Group's sustainable development plan in the future.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or the quantity of RECs to be offset should be specified.	8. The Company adheres to the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" specifications on GHG disclosure timelines set by the Taiwan Stock Exchange. We plan to gradually include our overseas factories in the scope of inventory and external verification. Our goal is to complete the emissions inventory for Scope 1 and Scope 2 of all factories by 2026 and complete external verification by 2028. The Company's Taipei headquarters in Taiwan and the Vietnam factory have conducted Scope 1 and Scope 2 inventories in accordance with the ISO 14064-1 specification. Additionally, the Vietnam factory has completed third-party verification. In addition, relevant Group goals have been set up. With the base year of 2023, the Company aims to reduce the GHG emissions and water consumption per unit product by 5%, and the total amount of waste by 5% by 2028 in keeping with TEX-RAY Industrial Co., Ltd.’s commitment to a sustainable environment. Replacement of ice water chiller at the Taipei Headquarters in 2023: It is expected to save approximately 250,000 KWH of electricity per year, saving 36% of electricity consumption, and to reduce approximately 123.85 tonnes of GHG emissions per year. (based on the 2022 electricity emission factor of 0.495kg CO2e/kWh announced by the Bureau of Energy, MOEA).
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	9. Please refer to point 1-1 greenhouse gas inventory and assurance status. None.

1-1 GHG Inventory and Assurance Status

Instructions for completing the table:

1. Scope 1 and Scope 2 information in this table shall be disclosed according to the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Scope 3 information may be voluntarily disclosed by the business.
2. The company may conduct the greenhouse gas (GHG) inventory in accordance with the following standards:
   (1) Greenhouse Gas Protocol (GHG Protocol)
   (2) ISO 14064-1 issued by the International Organization for Standardization.
3. The assurance body shall meet the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.
4. The information for subsidiaries may be reported individually, or in aggregate (e.g., by country or by region), or on a consolidated basis (Note 1).
5. The intensity of GHG emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) should be disclosed (Note 2).
6. The proportion of total emissions from operating sites or subsidiaries not included in the inventory calculation shall not be more than 5%. Total emissions mentioned above refer to the quantity of emissions calculated according to the mandatory inventory scope specified in point 1 of the instructions for completing the table.
7. The description of assurance status shall summarize the content of the assurance report from the assurance body, and the complete assurance opinion shall be appended to the annual report (Note 3).

The Company basic information	According to the regulations of Sustainable Development Roadmap for TWSE/TPEx Listed Companies, at least the following should be disclosed
□ Companies with a capital of over $10 billion, the steel industry, and the cement industry □ Companies with a capital of over $5 billion and less than $10 billion ▩ Companies with a capital of less than $5 billion	□ Parent company-only inventory □ Consolidated financial report subsidiaries inventory □ Parent company-only assurance □ Consolidated financial report subsidiaries assurance

Scope 1	Total emissions (tons CO2e)	Intensity (tons CO2e/ million dollars) (Note 2)	Assurance body	Assurance status (Note 3)
Parent	0		Expected to complete external verification by 2028	
Subsidiary				
Total				
Scope 2	Total emissions (tons CO2e)	Intensity (tons CO2e/ million dollars) (Note 2)	Assurance body	Assurance status (Note 3)
Parent	237.92		Expected to complete external verification by 2028	
Subsidiary				
Total				
Scope 3				

(VI) The Company's Implementation status of ethical management and measures adopted therefor:

Implementation of ethical management

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
I. Establishing ethical management policies and plans (I) Does the Company state in its regulations or external correspondence about the ethical management polices and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?	✓		(I) The Company has adopted its ethical management best practice principles upon approval of the Board of Directors, and also disclosed the same on the website and MOPS in order to practice the ethical policies proactively, in line with the Company's basic management philosophy. Both the Board of Directors and senior management emphasize the importance of ethical management, and also make themselves an example. The Company looks forward to becoming a sustainable and innovative happy enterprise. Ethical management lays the foundation for sustainability. The Company has the senior management and entry-level and new employees deepen and claim their visions through the education and training program, by organizing the Consensus Camp and cultural activities for the TEX-RAY folks each year. Meanwhile, the Company integrates the value of sustainability into the activities to continue practicing and claiming the sustainability.	No deviation, as explained above.
(II) Does the Company establish the assessment mechanism	✓		(II) The Company has also adopted the unethical	No deviation, as explained

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?			conduct prevention program and guidelines for conduct, and expressly define the reward & punishment system in its reward & punishment regulations to signify the punishment against any violators.	above.
(III) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and review amendments to said program?	✓		(III) The Company strictly prohibits offering and acceptance of bribe in accordance with the ethical management policies, and also expressly states that any illegal political donation is forbidden.	No deviation, as explained above.
II. Implementation of ethical management				
(I) Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	✓		(I) According to the Company's "Operating Procedure for Ethical Management and guidelines for ethical conduct", before establishing business relationship with others, we shall assess the legitimacy of our agents, suppliers, customers or other business counterparts, their ethical management policies, and whether there has been any to ensure that their business practices are fair and transparent and that they do not ask, offer or accept bribes	No deviation, as explained above.
(II) Does the Company establish a unit dedicated to promoting ethical corporate management under	✓		(II) The Company designates the management department as the exclusively dedicated unit	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevent program to the Board of Directors periodically (at least for once per year)?			(hereinafter referred to as the Company's dedicated unit), which reports directly to the Board of Directors. This unit has adequate resources and competent personnel responsible for amending, implementing, interpreting, providing consultation services, filing the reporting content of relevant operations, and supervising the implementation of operating procedures and conduct guidelines. We will also include “ethical corporate management conduct” in the orientation training and consensus camps, and report on its execution status to the Board of Directors by the end of each year. In 2024, we conducted the planning and implementation of ethical corporate management training programs. The performance status was reported to the Board of Directors on November 12, 2024.	
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	✓		(III) The Company's "Rules of Procedure for Board of Directors Meetings" has stipulated the system of recusal for directors. Directors shall not participate in the discussion and voting when it is in his/her own interest, and shall recuse themselves during the discussion and voting, and shall not exercise voting rights on behalf of other directors. The board of directors and the management shall commit themselves to implementing such policies	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			actively, and shall actually implement them in internal management and in external business activities.	
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	✓		(IV) The Company's accounting is in accordance with the regulations established by the competent authority and the preparation of the financial statements in accordance with the IFRS. All the financial statements have been audited by certified public accountants to ensure the fairness of the financial statements. The Company has duly implemented the relevant regulations of corporate governance, established the compliance policy, risk management mechanism, internal control system and internal audit mechanism, and implemented the principle of ethical management, which has been audited by the internal audit unit.	No deviation, as explained above.
(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?	✓		(V) Directors, managerial officers, and employees strengthen the concept of ethical management through continuous education and training, to implement the policy and commitment of ethical management. Additionally, annual ethical management related education and training courses are regularly organized. In 2024, the microfilm of “Discovery New Taiwan, Focus on Ethical Management” was used for the online education and training. A	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			total of 151 people received the training. Each session (including one video) of training was approximately 6 minutes.	
III. Implementation of the Company's whistle-blowing system (I) Does the Company have a specific report and reward system stipulated, a convenient whistle-blowing channel established, and a responsible staff designated to deal with the accused party?	✓		(I) The Company has established convenient risk control reporting mechanism. Any potential or actual violations of the code of ethical conduct may be reported via the internal whistle-blowing mechanism, and then various department managers report the same to Audit Office. Externally, the case may also be reported via the hotline for investors or stakeholders and then submitted to the Audit Office through the cross-departmental information integrated system. Any violations confirmed upon investigation will be resolved in accordance with laws or the Company's internal regulations. Meanwhile, the information about personnel violating the guidelines for ethical conduct will be disclosed on the MOPS immediately to ensure the information transparency and openness. Internal whistle-blowing channels http://trcom.texray.com/UOF/討論區/對集團的建議&回饋 外部檢舉管道 E-mail：informer@texray.com	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
(II) Does the Company define the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?	✓		Whistle-blowing hotline: +8862-25215155 ext.6590 The Company's work rules provide the reward and punishment system. Meanwhile, the Company has adopted the reward and punishment regulations separately, in order to practice punishment, prevent and deal with any violations of laws, infringement upon the Company's interest or corruption. (II) The Company has specified the principles for accepting whistleblowing cases, investigation procedures, follow-up handling measures after investigation reports, and protection of whistleblowers in the "Whistleblower Protection Channels and Protection Procedures" and the "Procedures for Ethical Management and Guidelines for Conduct. 1. Acceptance principle: The case may not be accepted or the investigation shall be suspended under any of the following circumstances, provided that it shall still be recorded in the whistle-blowing record list for reference: (1) Anonymous reporting; except for the condition that the content of the report is specific and clear, and there is supporting information or direction, and also if the investigation unit	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			considers that investigation is necessary, then anonymous report case may still be accepted. (2) No reasonable evidence of illegal or misconduct was provided for the reported cases. (3) Same fact is already under investigation or investigation is currently handled by other agency or the case has been reported by others previously and no new evidence is provided; however, when the later reporter is able to provide important evidence capable of facilitating the investigation, such restriction is not applied. (4) Same fact has been determined to be rejected, or has been investigated for case closure. However, this does not apply to the reporter who provides specific new evidence proving that a re-investigation is necessary. (5) The reported incident is within the scope the management or supervision of the reporter, but the report has failed to provide suggestion or improvement opinion during relevant meetings of the Company or according to the	

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			Company's relevant system. However, this does not apply to the reporter who has made a suggestion for improvement opinion, but there is no evidence indicating that the Company fails to handle such matter without proper reasons. When a reported case is under investigation by the Company, if the reporter further submits report to an inspection authority, then the Company may stop the investigation. 2. Investigation procedures (including the handling time-limit): (1) For the verification of a reported case, telephone call, written communication or by interview may be conducted depending upon the case. The verification process and content shall be recorded and preserved properly. Files provided by the reporter shall be encrypted and protected. The transmission and access of the files shall be limited to the personnel involved in the investigation. (2) The investigation report shall be completed within two months after the case is filed, and shall be submitted to the Chairman for approval. If the	

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			investigation unit considers that it is necessary to extend the case before the expiration of the time-limit, reason shall be stated, and the Chairman's approval shall be obtained. (3) An investigation report issued by the audit unit shall be handled in accordance with the Company's "Internal Control and Audit System Implementation Regulations". 3. Confidentiality mechanism: The identity of the reporter and the content of the report shall be kept confidential during the acceptance of the report and investigation procedures, and the information that is sufficient to identify the identity of the reporter shall not be released, disclosed or publicly announced to any irrelevant third party, and the Company shall take effective and appropriate protection measures.	
(III) Does the Company have taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		(III) The Company has established the "Whistleblower Protection Channels and Protection Procedures" and the "Procedures for Ethical Management and Guidelines for Conduct" applicable to the subsidiaries of the Company. The Company has established a	No deviation, as explained above.

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			reporter protection system, specifying that no reporters shall be discharged, dismissed, demoted, reduced in salary, or any damage of their rights and interests according to the laws, contracts or common practice, or other unfavorable dispositions, due to the reported case. If the reporter believes that he/she is under unfavorable treatment due to his/her reporting, the reporter may file a complaint to the Human Resource Department of the Company. The Human Resource Department shall also submit a report to the most recent meeting of the Ethical Management Committee. No violations of the ethical management, such as abuse or corruption, occurred to the Company in 2023. In order to stop any incidents impairing the corporate sustainability, TEX-RAY educates and trains all new employees and the management about the guidelines for ethical conduct and anti-corruption operating procedure. In the future, the Company will also evaluate appointment of additional paralegals to strengthen the existing whistle-blowing channels and also provide legal advice, promote laws and prevent corruption and malfunction, as the effective resources to prevent any illegal activities.	
IV. Enhanced information disclosure				

Evaluation criteria	Status (Note)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
Does the Company disclose the contents of its ethical management best practice principles and the result of implementation at its official website and MOPS?	✓		The Company has established its website, annual report and set up an external mailbox to disclose its implementation of the Ethical Corporate Management Best Practice Principles. Please refer to MOPS and the Company's website.	No deviation, as explained above.
V. If the Company has established its own ethical management best practice principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please describe the current practices and any deviations thereof from such principles: None. The Company has established the Ethical Corporate Management Best Practice Principles (including the Operating Procedure for Ethical Management and guidelines for ethical conduct), which are implemented regularly through a comprehensive internal control system and various management measures. There is no significant difference.				
VI. Other important information that is helpful in understanding the ethical corporate management operation of the Company: The Company has amended its ethical management best practice principles at the Board of Directors meeting on August 12, 2019 and amended the Operating Procedure for Ethical Management and guidelines for ethical conduct at the Board of Directors meeting on March 26, 2020. The Company also implements the related operating procedures precisely.				

(VII) Other information material to the understanding of corporate governance within the Company: None.

1. The important information of the Company is disclosed on the Market Observation Post System in a timely manner in accordance with the regulations of the competent authority. Information on the Company's finance, business and corporate governance is also updated regularly or immediately in the "Stakeholders" section of the Company's website.
2. In compliance with amendments to laws and regulations and in consideration of changes in the environment, the Company amends various corporate governance guidelines in a timely manner so that directors, managers and employees shall follow these guidelines. A "Corporate Governance Section" has been set up on the Company's website to fully disclose relevant management procedures. In addition, under the philosophy of corporate sustainability, the Company will continue to improve its corporate governance from the aspects of its organizational structure, rules and regulations, and implementation review.

(VIII) Implementation of internal control system

1. Declaration for Statement of Internal Control

TEX-RAY INDUSTRIAL CO., LTD.
Declaration for Statement of Internal Control

Date: March 12, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the board and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.

III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria introduced by the Regulations consisted of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to “the Regulations” for details.

IV. The Company has adopted said criteria to validate the effectiveness of its internal control system design and execution thereof.

V. Based on the assessments described above, the Company considers the design and execution of its internal control system to be effective as at December 31, 2024. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the business results of the Company, objective accomplishments, reliability of financial report and relevant regulatory compliance related to the design of the internal control system and the effectiveness of the execution.

VI. The Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liability.

VII. The Declaration was approved by the Company’s Board of Directors on March 12, 2025. All eleven directors in attendance consented to the content expressed in this statement, and none objected to it. Therefore, we hereby declare it.

TEX-RAY INDUSTRIAL CO., LTD.
Chairman: Ray Lin (seal/signature)
President: Lin Tsung-Yi (seal/signature)

2. The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any: None.

(IX) Material resolutions of a shareholders' meeting or a board of directors' meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Important resolution of the shareholders' meeting, and execution status thereof:

Date	Important resolutions	Status
June 14, 2024 Annual General Meeting	1. Adoption of the 2023 financial statements.	Pass the motion per the resolution adopted based on voting results.
	2. Adoption of the 2023 deficit compensation table.	Pass the motion per the resolution adopted based on voting results.
	3. Amendments to the "Rules of Procedure for Shareholders' Meetings"	Approved according to the resolution and the voting results.
	4. Election of the 17th term of Board of Directors	Voting result: List of directors elected: Ray Lin, Yao Wan-Kuei, Chang Nai-Wen (Representative of YUEDA Textile Financial Holding Limited (BVI)), Tai Chun (Representatives of YUEDA Textile Financial Holding Limited), He Yu, Yang Chia-Yin (Representatives of Suzhou Weide Co., Ltd.), Lin Tsung-Yi Independent Directors: Tsai Chao-Lun, Chu Hsing-Hua, Lin Cheng-Te, Chen Wen-He
	4. Proposal for removal of non-compete restriction of directors	Approved according to the resolution and the voting results.

2. Important resolutions of the Board of Directors:

Date	Important resolutions and implementation status
2024.03.13	Approved the proposal for bank loans submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved the proposal for 2023 Statement on Internal Control. Approved the proposal for 2023 Business Report and Financial Statements submitted for discussion. Approved the discussion about amendments to the Corporate Governance Rules Approved the proposal for discussion of re-election of directors at the shareholders' meeting Approved the discussion of operational matters related to the nomination of

	shareholders' proposals and director candidates at the regular shareholders' meeting Approved the date of the 2024 annual general meeting and discussion on related matters Approved the proposal for 2023 remuneration to directors and managers and limit of annual bonus payment submitted for discussion. Approved the proposal for determining the date and agenda of the 2023 Annual Shareholder's Meeting.
	Implementation status: Completed according to the resolution of the Board of Directors
2024.03.27	Report on the timeline of greenhouse gas inventory Approved the proposal for bank loans submitted for discussion. Approved the proposal for loaning of funds to affiliated companies submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved the proposal for evaluation on external auditors' independence submitted for discussion. Discussion about the appointment of KPMG for audit and certification of the 2024 financial statements Approved the 2023 financial statements. Approved the discussion of the 2023 deficit compensation proposal Approved the proposal for the list of director candidates.
	Implementation status: Completed according to the resolution of the Board of Directors
2024.05.14	Approved the proposal for bank loans submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved the 2024 Q1 financial statements
	Implementation status: Completed according to the resolution of the Board of Directors
2024.06.14	Proposal for election of the Chairman
	Implementation status: Completed according to the resolution of the Board of Directors
2024.08.13	Announcement of 2023 Sustainability Report of TEX-RAY Group Report on the timeline of greenhouse gas inventory Approved the proposal for bank loans submitted for discussion. Approved the proposal for loaning of funds to affiliated companies submitted for discussion. Approved the proposal for making of guarantee for affiliated company's

	bank loans submitted for discussion. Proposal for appointment of Remuneration Committee members Proposal for appointment of Risk Management Committee members Proposal for consolidated financial statements for the first half of 2024
	Implementation status: Completed according to the resolution of the Board of Directors
2024.11.13	Approved the report of corporate governance section Approved the report on the implementation of ethical management policies and prevention plans Approved the report on the implementation of the intellectual property management plan linked to the operational objectives Approved the report on the implementation of information security Approved the report of the Sustainable Development Committee Approved the report of the stakeholder engagement Approved the proposal for bank loans submitted for discussion. Approved the proposal for loaning of funds to affiliated companies submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved 2025 audit plan Approved the consolidated financial statements for the third quarter of 2024
	Implementation status: Completed according to the resolution of the Board of Directors
2025.03.12	
2024.03.13	Approved the proposal for bank loans submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved the proposal for 2023 Statement on Internal Control. Approved the proposal for 2023 Business Report and Financial Statements submitted for discussion. Approved the discussion about amendments to the Corporate Governance Rules Approved the proposal for discussion of re-election of directors at the shareholders' meeting Approved the discussion of operational matters related to the nomination of shareholders' proposals and director candidates at the regular shareholders' meeting Approved the date of the 2024 annual general meeting and discussion on related matters Approved the proposal for 2023 remuneration to directors and managers and

	limit of annual bonus payment submitted for discussion.
	Status: Completed per the resolution of the Board of Directors.
2024.03.27	Report on the timeline of greenhouse gas inventory Approved the proposal for bank loans submitted for discussion. Approved the proposal for loaning of funds to affiliated companies submitted for discussion. Approved the proposal for making of guarantee for affiliated company's bank loans submitted for discussion. Approved the proposal for evaluation on external auditors' independence submitted for discussion. Discussion about the appointment of KPMG for audit and certification of the 2024 financial statements Approved the 2023 financial statements. Approved the discussion of the 2023 deficit compensation proposal Approved the proposal for the list of director candidates.
	Status: Completed per the resolution of the Board of Directors.

(X) In the most recent year and up to the date of publication of the annual report, if a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written statement, the main content thereof: None

IV. Information on Independent Auditor's Fee:

Information on CPAs' Fees

Amount: NTD Thousand

Name of CPA Firm	Name of CPA Name	Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
KPMG in Taiwan	I-Yun Tsou, CPA Kuo-Yang Tseng	20240101~20241231	3,981	50	4,031	

Please specify the contents of non-audit fees (e.g. tax certification, assurance or other financial consulting and advising services).

Note: If there is any change of CPA or CPA firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column. Any audit and non-audit fee paid to CPAs should also be disclosed separately. Details of services rendered based on the non-audit fees must be specified in the remarks column.

(I) Information about CPA

Name of CPA Firm	Name of CPA		Audit Period	Remark
KPMG in Taiwan	I-Yun Tsou, CPA	Kuo-Yang Tseng	2024/01/01~2024/12/31	

(II) CPA's Audit Fee Scale Table

Amount: NTD Thousand

Item Amount Scale		Audit Fees	Non-Audit Fees	Total
1	Less than NT$2,000 thousand		50	50
2	NT$2,000 thousand (inclusive)~NT$4,000 thousand	3,981		3,981
3	NT$4,000 thousand (inclusive)~NT$6,000 thousand			
4	NT$6,000 thousand (inclusive)~NT$8,000 thousand			
5	NT$8,000 thousand (inclusive)~NT$10,000 thousand			
6	NT$10,000 thousand or above			

(III) Disclosure of audit fees, non-audit fees and details of non-audit services, if the sum of non-audit fees paid to the CPA, CPA's firm and affiliated companies amount to more than one-quarter of total audit fees: None.

Amount: NTD Thousand

Name of CPA Firm	Name of CPA	Audit Fees	Non-Audit Fees					Audit Period	Remark
			System design	Commercial and industrial registration	HR	Others	Subtotal		
KPMG in Taiwan	I-Yun Tsou, CPA Kuo-Yang Tseng	3,981	0	0	0	50	50	20240101~ 20241231	

(IV) If a change of CPA firm results in a lower audit fee for that year compared to the previous year: None.

(V) If the audit fee was reduced by more than 15% from the previous year: None.

V. Information on Change of CPAs: None.

VI. Disclosure of any of the Company's Chairman, President, financial or accounting managers being employed by the auditor's firm or any of its affiliated company in the most recent year: None.

VII. Transfer or pledge of shares owned by directors, supervisors, managerial officers, shareholders with shareholding percentage exceeding 10 percent during the most recent fiscal year and up to the date of publication of the annual report

1. Changes of the equity of directors, supervisor, managers and major shareholders:

Job title	Name	2024		Up to April 15, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Ray Lin	-	-	-	-
Vice Chairman	Yao Wan-Kuei	-	-	-	-
Director	Yueda Textile Financial Holding Limited (BVI) Limited liability company	-	-	-	-
Representative	Wang Lian-Chun (Note 1)	-	-	-	-
Representative	Chang Nei-Wen (Note 2)				
Representative	Tai Chun (Note 1)	-	-	-	-
Director	Kuo Wen-Yen	-	-	-	-
Director	Wu Ching-Feng	-	-	-	-
Director	Suzhou Weide Co., Ltd.	-	-	-	-
Representative	Yang Chia-Yin (Note 1)	-	-	-	-
Director	He Yu	-	-	-	-
Independent Director	Li Mu-Jung	-	-	-	-
Independent Director	Tsai Chao-Lun	-	-	-	-
Independent Director	Chu Hsing-Hua	-	-	-	-
Manager	Yang Wei-Han	-	-	-	-
Manager	Yeh Feng-Ying	-	-	-	-
Manager	Chang Chin-Huei	-	-	-	-
Manager	Lin Tsung-Yi	-	-	-	-
Manager	Lin Tsung-Han	-	-	-	-
Manager	Wu Chien-Chung	-	-	-	-
Shareholder with a stake of more than 10 percent	Yueda Textile Financial Holding Limited (BVI) Limited liability company	-	-	-	-
Shareholder with a stake of more than 10 percent	Kuo Hsien-Yu	-	(6,186,000)	-	6,000,000

Note 1: Serve as the director in the capacity of a juristic-person representative.

2. Information about the counterpart of transfer of shares that is a related party: None.

3. Information about the counterpart of pledge of shares that is a related party: None.

VIII. Disclosure of relationships, such as related party defined under the Statement of Financial Accounting Standards No. 6, or spouse, or relative within the second degree of kinship , among the top ten shareholders

Disclosure of relationship among the top ten shareholders

Name (Note 1)	Shares held under own name		Shares held by spouse and underage children		Shares held in the names of others		Company name or individual name and relationship of related parties or spouse or kinship within the second degree among the top ten major shareholders. (Note 3)		Remark
	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Designation (or Name)	Relationship	
YUEDA Textile Financial Holding Limited	42,052,440	18.00	-	-	-	-	-	-	Juristic-person director
Kuo Hsien-Yu	23,680,000	10.14	-	-	-	-	-	-	
Suzhou Weide Co., Ltd.	23,362,466	10.00	-	-	-	-	-	-	Juristic-person director
Yeh Feng-Ying	14,280,000	6.11	6,120,000	2.62	-	-	Ray Lin	Spouse	-
Ray Lin	6,120,000	2.62	14,280,000	6.11	-	-	Yeh Feng-Ying	Spouse	Chairman
Lin Tsung-Yi	4,470,000	1.91	-	-	-	-	Ray Lin	Child	-
Lin Tsung-Han	4,470,000	1.91	-	-	-	-	Ray Lin	Child	-
Yao Wan-Kuei	3,830,239	1.64	93,945	0.04	-	-	-	-	Director
Guo Shi-xian	1,935,000	0.83	-	-	-	-	-	-	
Jiang Yu-lian	1,886,000	0.81	-	-	-	-	-	-	

Note: Representative of YUEDA Textile Financial Holding Limited (BVI): Li Piao
Representative of Suzhou Weide Co., Ltd.: Yang Chia-Yin

IX. Number of shares held by the Company, the Company's directors, supervisors, managerial officers and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories

December 31, 2024 Unit: shares; %

Investee	Investment of the Company		Investment by directors, supervisors, managers and enterprises controlled either directly or indirectly by the Company		Consolidated investment	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
TEX-RAY INDUSTRIAL CO., LTD. (BELIZE)	32,348,213	100.00	—	—	32,348,213	100.00
TEX-RAY INDUSTRIAL CO., LTD. (CAYMAN)	46,042,722	100.00	—	—	46,042,722	100.00
TEX-RAY (BN) INDUSTRIAL CO., LTD.	60,579,330	100.00	—	—	60,579,330	100.00
TEXRAY (SA) PTY LTD.	39,651,722	100.00	—	—	39,651,722	100.00
GREAT CPT INTERNATIONAL CO., LTD.	5,000,000	100.00	—	—	5,000,000	100.00
ZHENG-RAY INDUSTRIAL CO., LTD.	11,580,000	100.00	—	—	11,580,000	100.00
King’s Metal Fiber Technologies Co., Ltd.	12,924,963	59.22	3,085,332	14.13	16,010,295	73.35
Wiley Eco Print Industrial Co., Ltd.	2,744,000	68.60	—	—	2,100,000	70.00
AIQ SMART CLOTHING INC.	11,503,200	70.44	3,453,228	21.15	14,956,428	91.59

Three. Financing Status

I. Capital and Outstanding Shares

(I) Source of capital share:

Capital share formation process for the most recent year and up to the date of publication of the annual report

Unit: Shares; NT$

Year/Month	Issue price	Authorized capital		Paid-in capital		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of share capital	Offset share capital via properties other than cash	Others
2006/03	10.62	194,900,000	1,949,000,000	138,723,092	1,387,230,920	Conversion of 7,532,940 convertible bonds	None	
2006/06	10.62	194,900,000	1,949,000,000	140,229,679	1,402,296,790	Conversion of 15,065,870 convertible bonds	None	
2006/09	10.06	194,900,000	1,949,000,000	142,416,554	1,424,165,540	Conversion of 21,868,750 convertible bonds	None	
2006/12	10.06	194,900,000	1,949,000,000	156,024,860	1,560,248,600	Conversion of 136,083,060 convertible bonds	None	
2007/03	10.06	194,900,000	1,949,000,000	164,911,530	1,649,115,300	Conversion of 88,866,700 convertible bonds	None	
2012/8	10	194,900,000	1,949,000,000	168,209,761	1,682,097,610	Allotment of 32,981,310 shares from earnings	None	
2014/4	12.8	300,000,000	3,000,000,000	210,262,201	2,102,622,010	Subscription for 42,052,440 in private placement	None	
2018/12	10.16	300,000,000	3,000,000,000	233,624,667	2,336,246,670	Subscription for 23,362,466 in private placement	None	

Note: Received the approval letter of Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 10701160130 dated January 3, 2019.

Unit: Shares

Type of shares	Authorized capital			Remark
	Outstanding shares (already listed)	Number of unissued shares	Total	
Common shares	233,624,667 Including private placement of 65,414,906	66,375,333	300,000,000	-

(II) List of major shareholders:

April 16, 2025

Shares / Name of major shareholder	Shares held	Shareholding
YUEDA Textile Financial Holding Limited	42,052,440	18.00
Kuo Hsien-Yu	23,680,000	10.14
Suzhou Weide Co., Ltd.	23,362,466	10.00
Yeh Feng-Ying	14,280,000	6.11
Ray Lin	6,120,000	2.62
Lin Tsung-Yi	4,470,000	1.91
Lin Tsung-Han	4,470,000	1.91
Yao Wan-Kuei	3,830,239	1.64
Guo Shi-xian	1,935,000	0.83
Jiang Yu-lian	1,886,000	0.81

(III) Dividend policy and implementation status of the Company:

1. Dividend Policy: The Company's Articles of Incorporation

   Article 31: In the event that the Company generates any profits during a given year, 2% of said profits shall be allocated as employee compensation. The Board of Directors shall resolve whether to distribute in the form of shares or cash, and eligible recipients may include employees from subsidiary companies who meet specific criteria. Additionally, with approval from the Board of Directors, the Company may allocate up to 2% of said profits as the director compensation. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. However, if the Company still has accumulated losses, it shall reserve the amount to make up for the losses first, then allocate employee and director compensation in proportion to the preceding paragraph.

   Article 31-1: In case of profits after final accounts of the Company in the year, the Company shall firstly withhold the taxes, make up for the accumulated losses, set aside 10% as legal surplus reserve, and then calculate or reserve special surplus reserve according to the applicable laws and regulations. In case of any surplus, the Board of Directors shall prepare a distribution proposal together with the undistributed profits of the previous years, and submit the proposal to the shareholders' meeting for resolution on distribution.

   The Company's dividend policy, is to cope with the current and future development plans, while considering the investment environment, fund demands, and international and domestic competitions and the benefits of the shareholders. The amount of shareholders' bonus to be distributed every year shall not be lower than 10% of the current distributable earnings. The shareholders' bonus may be distributed in cash or shares; of which, the cash dividends shall not be lower than 10% of the total dividends.

2. The dividend proposed to be distributed at the shareholders' meeting:

   The Company's undistributed earnings at the beginning of the 2023 is NT$82,428,236, the net loss of the period is NT$165,762,734, other comprehensive income is NT$476,847, and the undistributed earnings at the end of period is NT$82,857,651. Therefore, no dividends shall be distributable this year.

(IV) Impact of the distribution of bonus shares proposed for the current year on the business performance of the Company and earning per share: Not applicable.

(V) Employee bonus and remuneration to directors and supervisors:

1. The percentages or ranges with respect to employee bonus and remuneration to directors and supervisors, as set forth in the Company's Articles of Incorporation: According to the Company's Articles of Incorporation: Subject to the profit sought for the current year, the Company shall allocate 2% of the profit as the remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the receivers of such stock dividend or cash dividend shall include employees of affiliated companies that meet certain conditions. The Board of Directors may also resolve to no more than 2% of said profit as the remuneration to directors. The proposals for distribution of the remuneration to employees and directors shall be reported to a shareholders' meeting, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors may be allocated subject to the proportions referred to in the preceding paragraph.
2. The basis for estimating the amount of employee bonus and remuneration to directors/supervisors, for calculating the number of shares to be distributed as the stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   (A) The amount proposed by the Board of Directors to distribute and that estimated in the year the expense was recognized are specified as following: There is no loss after tax arising this year. Therefore, it is not necessary to estimate and distribute such amount.
   (B) Cause of difference: N/A.
   (C) Resolution of the difference in amount: Any differences between the distributed amount passed by the annual general meeting and that proposed by the Board of Directors will be stated as a change in accounting estimate upon approval by the annual general meeting.
3. Distribution of remuneration approved by the Board of Directors:
   According to Article 31 of the Articles of Incorporation, when the Company has a profit (i.e. income before tax less remuneration distributed to employees and directors) for any fiscal year, the Company shall allocate at least 2% of the balance remaining after accumulated losses are paid up, if any, as the remuneration to employees and no more than 2% thereof as the remuneration to directors.
   (A) The amount proposed by the Board of Directors to distribute and that estimated in the year the expense was recognized are specified as following: As loss after tax is generated this year, no employee bonus and remuneration to

directors will be distributed.

(B) Cause of difference: N/A.

(C) Resolution of the difference in amount: Any differences between the distributed amount passed by the annual general meeting and that proposed by the Board of Directors will be stated as a change in accounting estimate upon approval by the annual general meeting.

4. Actual distributions of employee, director, and supervisor compensation for the previous year: No estimation and distribution are required for net loss after tax for the year.

(VI) Repurchase of the Company's shares: None.

II. Information about corporate bonds (including overseas corporate bonds)

(I) Unredeemed corporate bonds and corporate bonds undergoing private placement: None.

(II) Corporate bonds maturing within 1 year: None.

(III) Issued convertible corporate bonds which are convertible to shares, overseas depositary receipts or any other securities: None.

(IV) Issued exchangeable corporate bonds: None.

(V) Raising and issue of common corporate bonds under the shelf registration method adopted by the Company: None.

(VI) Issued corporate bonds with warrants: None.

(VII) Private placement of corporate bonds during the 3 most recent fiscal years: None.

III. Information about preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Information about employee stock warrants and restricted stock awards (RSAs): None.

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VII. Implementation of Capital Utilization Plan: None.

Four. Operation Overview

I. Business Activities

(I) I. Business scope

1. The Company primarily engages in the following business activities:

(1) Weaving, finishing, printing and dyeing, and trading of cottons, fabrics and various fibers

(2) Processing, trading and export of garments.

(3) Consignment sale, trading and export of cotton yarn and man-made fibers.

(4) Manufacturing, processing and trading of ramie and flax.

(5) Manufacturing, processing, dyeing & finishing and trading of various textiles and natural fibers.

2. Revenue contribution of main products in 2024.

Unit: NTD Thousand

Product name	Percentage of business	Percentage (%)
Weaving and dyeing	469,860	9.33
Metal fiber	472,304	9.38
Ready-to-wear clothing	3,851,076	76.45
Others	243,863	4.84
Total	5,037,103	100.00

3. Main products

(1) Fabric & dyeing: A. Knitted fabrics: PK fabrics, double-sided fabrics, single-sided fabrics, double-brushed fabrics, fancy yarn, elastic fabrics, Tencel cotton fabrics, laminated fabrics, performance fabrics, and eco-friendly performance fabric series.

B. Woven fabrics: long and short fiber interwoven fabrics, elastic fabrics, Tencel cotton fabrics, and performance fabrics.

(2) Metal fibers: Metal fibers, Metal fiber blended yarn, and high-tech anti-radiation fabrics

(3) Garments: T-shirts, Polo shirts, dress, skirts, pants, nightgowns, coats, sports wear and casual wear.

(4) Home textiles: Bed sheets, pillow covers and quilt covers.

4. New products planned to be developed

(1) Performance sports wear and fabrics.

(2) Smart clothing.

(3) Sustainable performance garment and fabrics.

(4) Leisure & sports performance garment and fabrics.

(5) High-temperature-resistant and conductive fabrics.

(6) High-visualization performance garment and fabrics.

(7) Anti-bacteria and protective performance fabrics.

(8) Eco-friendly, sustainable, low-pollution and low-energy consumption textiles.

(II) Overview of industry:

1. Status and development of the industry

In order to deal with the fierce competition with China, Korea and emerging Southeast Asia countries, the textile industry of Taiwan tends to have its development oriented toward high-value products in the context of increasing costs, financial conditions, environment and restrictions imposed by trading laws, etc.. In 2024, due to the Russo-Ukrainian War, the Israel-Palestinian conflict, the Red Sea Crisis, the U.S. Political transmission, geopolitical uncertainties and increasingly stringent net zero standards, the global energy costs, such as raw materials and oil prices, increased. Looking into the year of 2025, the environmental protection, low-carbon trend and digital technology development of brand owners are expected to continue, and the current status of the industry will be reversed through smart manufacturing and diversified deployment.

The global political and economic environment are still dealing with multiple unstable factors. Per customers' needs, TEX-RAY engages in resilient overall planning of the global production & marketing supply chain and reflects its risk controls rapidly. Meanwhile, it evaluates the feasibility to develop potential production sites carefully and diversify production bases and markets to mitigate various risk types and thereby upgrade its entire competitiveness in the industry.

In 2024, Taiwan's textile export value was US$6.735 billion, accounting for 1.4% of the total national exports (US$475.073 billion), a 2% increase compared to the same period last year. The export volume was 1.11262 million tons, a decline of 4%, while the export unit price grew by 6%.

Overview of Taiwan's export sales in 2024:

By industry	Textiles	Mechanical and Electrical Equipment	Base Metal and Products thereof	Precision Instruments, Timepieces and Musical Instruments	Plastic Rubber and Products thereof	Mineral Products	Chemical Products
Export Value (US$ in Hundred Million)	67.35	3,476.51	285.28	115.18	195.89	139.50	183.00
As percentage of total export value	1.4%	73.2%	6%	2.4%	4.1%	2.9%	3.9%
Compared with the same period	2%	16%	-1%	-13%	-2%	-5%	-1%

Source of data: Customs Import and Export Trade Statistics

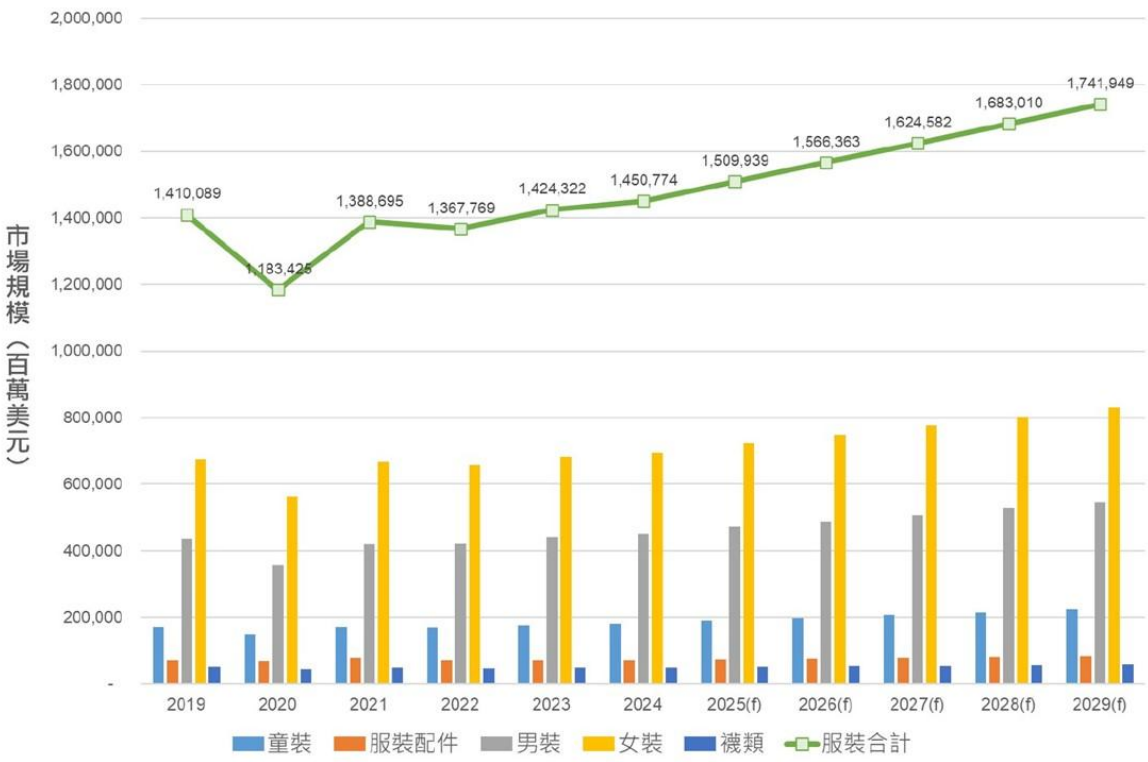
In 2024, Taiwan's largest textile export market was Vietnam, with an export value of US$1.894 billion, accounting for 28% of the textile export value, and an increase of 9% compared to the same period last year.

Major export markets of Taiwan textiles in 2024:

Ranking	Main export regions	Export Value (US$ in Hundred Million)	As percentage of total export value (%)	Compared with the same period (%)
1	Vietnam	18.94	28	9
2	China	8.76	13	-5
3	USA	6.10	9	3
4	Indonesia	4.41	7	8
5	Cambodia	2.95	4	1
Total Top 5 Companies		41.16	61	4

Source of data: Customs Import and Export Trade Statistics

In 2024, the global apparel market reached a scale of US$1.4508 trillion, with a compound annual growth rate (CAGR) of 3.7% projected from 2024 to 2029. In 2024, the performance sportswear market grew by 3.6%, while the outdoor apparel market and sports fashion and casual apparel market grew by 6.1% and 3.7%, respectively. The CAGR of overall sportswear from 2024-2029 is 5.4%, outperforming the general apparel growth.



Market scale (in US$ Million)

Children’s apparel	Apparel accessories	Male	Female	Socks	Total for address

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Source of data: Euromonitor and compilation by Taiwan Textile Federation (2025/2)

For the global textile industry in 2024, after the global pandemic and the shipping port congestion, the global demand for the end market in the first half of the year recovered gradually, and the overall revenue of the garment industry also stabilized progressively. However, due to the past difficulties in destocking and the expected decline in the US consumer power, the sales orders outlook for garment manufacturers may still be conservative in the future, and it is still necessary to monitor the continuity of the downstream inventory recovery. In addition, due to the change in order trends by global clothing brand factories, under the pressure of cost saving, inventory reduction, and risk diversification, the textile supply chain with centralized procurement, one-stop shopping, multiple production bases, and flexible scheduling for production and sales has become the mainstream of procurement.

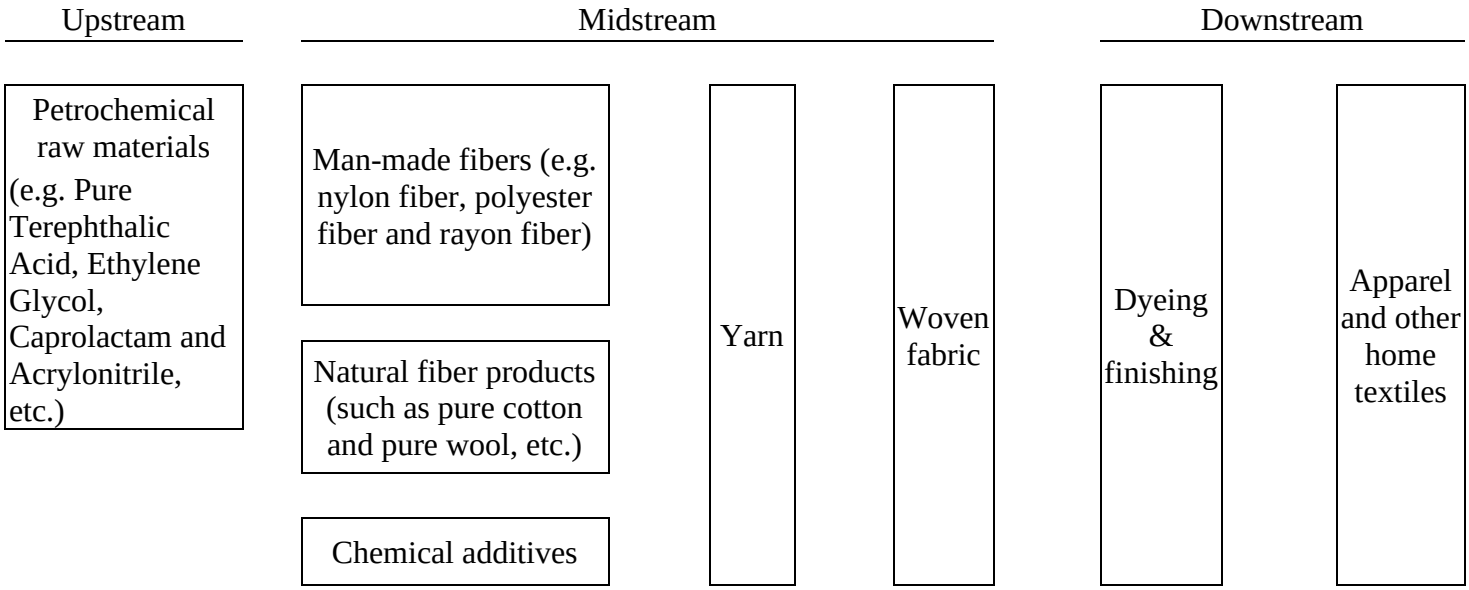
Looking ahead to 2025, while facing the challenges of geopolitical conflicts that may lead to war, rising oil prices, transportation cost fluctuations, global climate change, and the promotion of circular economy and commodity production by brand makers, and the product manufacturing law issue, etc., the supply chain will need to respond to the production process quickly and to establish a set of standards

complying with the European and US regulations, in order to obtain more export orders and maintain global market share.

2. Correlation of the upstream, midstream and downstream segments of the industry:

Correlation of the upstream, midstream and downstream segments of the textile and garment industry: The upstream segment of such industry refers to petrochemical raw materials, which are processed into the man-made fibers including nylon fiber, polyester fiber, rayon fiber and carbon fiber, then spun into yarn, woven into fabrics, bleached, dyed, printed, coated and finished, and finally tailored and sew into garment or other related textiles. The Company and its subsidiaries are primarily engaged in dyeing and finishing products and garment, i.e. the midstream and downstream segments of the industrial value chain.

Following the competition in the global textile industry and intelligent technology society, TEX-RAY uses the best effort to integrate its internal and external resources, continues to improve its competitiveness, strengthens the production & marketing supply chain, and develops the eco-friendly and also functional performance textiles.



Source of data: Industry Value Chain Information Platform

3. Product development trends

Following the global population structure tending to be urbanized and aging; climate changes causing the ESG issues to be concerned more than ever; epidemic effects caused the global economic recession, and the windup crisis to multiple channel brand suppliers. In line with the global trends, TEX-RAY orients its product development toward technology and innovation, safety and protection, comfort and performance and sustainability & environmental protection.

(1) The rise of new health consciousness, optimizing functional lifestyles: In response to COVID-19, TEX-RAY has joined the national pandemic prevention team to develop medical-grade PPE products and concurrently launched non-medical and anti-pandemic lifestyle textiles that align with fashion concepts. During the global health crisis, additional demand for safety were raised by consumers to help them build their sense of safety in a period full of uncertainty about their health. TEX-RAY took the new health business opportunities to develop the new T-FRESH®C&C (Cooling & Cleaning) photo-catalyst and metal fiber antibacterial product series as the solution for optimization of lifestyle.

(2) Sustainability & environmental protection and circular economy strategy: As the environment and green energy issues gain more attention around the world, international brands have issued green declarations and paid more attention to whether the textile industry is equipped with a new generation of eco-friendly and non-toxic production processes and has the potential for research and development and production of textiles. TEX-RAY has innovated a patented eco-friendly wet printing process that provides a modern environmental solution for the most energy-consuming printing and dyeing industry. In terms of products, we have integrated the RAYS performance textile product map and have developed eco-friendly, energy-saving, carbon-reducing, and technology performance products, such as the RAYS HUE series with eco-friendly printing technology, research and development of eco-friendly high elasticity series of products, and our own brand of ELASIX, etc. In the future, TEX-RAY will continue to invest resources and focus its research and development efforts on sustainable and eco-friendly products.

(3) High-end smart clothing digital development: With the growing global aging population and rising awareness of health, the market's demand for health care and sports and fitness products has increased; meanwhile, the rapid development of information technology and the global Internet of Things has led to a growth in the demand for smart wearable garments. Since its early days, TEX-RAY has

been devoted to sports and fitness products and long-term care, and it continues to lead the industry in technology and patents. By combining the advantages in electronics, textiles, and other relevant industries, the Company will engage in collaboration with different industries to develop new functional products, and develop diverse applications of textiles for different industries.

4. Competition status

The Company is primarily engaged in the garment export business. For the time being, in addition to the competitors of the same nature as the Company in the territories of Taiwan, the Company has to deal with the competition with the manufacturers from the territories including China, Korea, Hong Kong and India.

Global competition status

(1) Taiwan: Due to the effects of political marginalization, it is impossible for the textile industry of Taiwan to enjoy the competitive strength of multi-national cooperation. Therefore, the Company identifies Taiwan as its operating center, strengths the innovation and R&D of "performance textiles" and "smart apparel," and reflects its competitive strengths rapidly through the Group's global layout. The Company has developed from an OEM to ODM. In the recent years, it has launched its own branded products, kept concerning the market demand, and improved its understanding about the market, in order to feed back the business opportunities all over the world and better serve the brand customers' needs.

(2) China: In addition to the demographic dividend market delivering strong domestic demand, the future development of RCEP and the Belt and Road Initiative helps expand the external development schedule, continues integrate internal resources and focuses on developing local brands more thoroughly, thus bringing the unlimited imagination for growth.

(3) Southeast Asia: With advantages such as low labor costs and fostering by various governments' policies, in addition to the rapid demographic dividends and economic development, trade protocols and expansion of external cooperation, TEX-RAY targets the development niche in Southeast Asia and invests in construction of flagship factories to make it the main export area for garments.

(4) Eswatini: The successful transformation to the domestic demand market contributes substantial profit to the parent company. Meanwhile, upon return of AGOA in 2018, it may develop another source of profit for the parent company.

(5) North America: Strengthen connection between the marketing company in the USA and production center in Mexico; emphasize the duty-free fast supply in the

US market, work with the brand manufacturers to strive for business opportunities more rapidly, and grow and seek profit through balanced production and marketing; meanwhile, strengthen the development of domestic demand market and expand its business in Mexico.

(III) Overview of technology and R&D

1. R&D expenses invested during the most recent year

Unit: NTD Thousand

Item\Year	2023	2024	Up to March 31, 2025
R&D expenses	85,069	129,768	NA
Operating revenue	4,555,351	5,037,103	NA
Percentage (%)	1.87%	2.58%	NA

Note: The audit for 2024 Q1 has not been conducted, and the data disclosure is not required

2. R&D results

In order to deal with the rising sustainability and environmental protection trend in the world and the textile industry and the need for anti-bacteria protection in the post-epidemic era, TEX-RAY, based on its experience in developing business in the fields of functional fabric and smart textiles for so many years, has focused its innovation and R&D on the eco-friendly, sustainable and anti-bacteria products and services. So far, it has researched and developed multiple eco-friendly and protective, and also high-value-added performance textile brands. It also extends its focus of the R&D on performance products to the upstream segment, namely spinning and raw material-related applications, hoping to exert comprehensive and multi-site core value more effectively.

(1) Metal fiber, stainless steel metal fiber blended yarn, anti-electromagnetic wave products, conductive and high temperature resistant products.

(2) The stainless steel metal fiber technology and products won the Business Startup Awards - Open Competition Quality Award.

(3) Rated by Department of Industrial Technology, Ministry of Economic Affairs as the national outstanding supplier under the Enterprise Research Alliance Incubation.

(4) Premium mercerized cotton yarn products won the 11th Taiwan Excellence Award.

(5) Tainan Dyeing and Finishing Factory of Dyeing Business Division received the ISO 14001 environment protection certification.

(6) Execute the IT application promotion project, “Textile Production & Marketing Digital IT System Development Project,” as approved by Ministry of Economic

Affairs, and rated as the distinguished supplier.

(7) Successfully develop the LCO2 supercritical liquid CO2 cleaning machine for commercial use.

(8) The subsidy for the Company's technological program, "Supercritical CO2 sterilization cleaning equipment development plan," was authorized by the Ministry of Economic Affairs.

(9) Honored the ITDP (Industrial Technology Development Program) Best Industry-Academic Development Award from Ministry of Economic Affairs.

(10) The subsidy for the Company's technological program encouraging domestic enterprises' establishment of R&D center in Taiwan approved by the Institute for Information Industry.

(11) The subsidy for the Company's technological program for development of hollow and lightweight heating textiles is approved by Industrial Development Bureau, MOEA.

(12) Research and develop dope dyeing eco-friendly colorful fiber, and create the own yarn brand, Eco-lor.

(13) Research and develop energy-conservation and carbon-reduction cool raw materials, and create the own yarn brand, Tcool.

(14) Research and develop energy-conservation and carbon-reduction heating raw materials, and create the own yarn brand, Thot.

(15) Research and develop energy-conservation and carbon-reduction noctilucent fabrics, and create the own brand RayS 21.

(16) Research and develop smart wool blend fabrics, and create the own brand Wool miracle.

(17) Research and develop humidity management moisture wicking fabrics, and create the own brand Dry Switch.

(18) Research and develop energy-conservation and carbon-reduction cool processing fabrics, and create the own brand, Coolitol.

(19) Research and develop skin-tight garment, and create the own yarn brand, Tmapping.

(20) Integrated performance textiles map, and create the own RAYS performance fabric series, including the eight major series, Cooling, Dry, Mapping, Heating, Shield, Green, Plus and Neo.

(21) Research and develop breathable, waterproof and foam coating lamination technology, created the own brand, Breath Light, and include it into the RAYS Shield series.

(22) Research and develop high breathable, windproof and warm-effect spacer fabrics, create the own brand, Air Buffer, and include it into the Rays Heating series.

(23) Research and develop eco-friendly, high-resolution and digital printing technology, create the own brand HE Eco Print, and include it into the RAYS Green series.

(24) Research and develop photo-catalyst and metal ion anti-bacteria and deodorization fiber series, create the own brand TFresh, and include it into the RAYS Shield series.

(25) TCool+TFresh products won TOG Awards - Excellence and Gold awards.

(26) Revamped the performance fabric series of RAYS, including eight series of OCEAN, DRY, MAPPING, SUN, SHIELD, GREEN, HUE, and NEO.

(27) Developed an environmental steam-free printing transfer technology and created our own brand ECOTRANS, which is included in the RAYS HUE series.

(28) Developed eco-friendly printing-as-dyeing series and created our own brand ECOLORATION, which is included in RAYS HUE series.

(29) Developed eco-friendly high elasticity series of products, and created our own brand ELASTIX, which is included in RAYS NEO series.

According to product attributes and unique technology, TEX-RAY Industrial Co., Ltd. has made a series of adjustments to the RAYS performance textiles map in 2024 to accommodate new R&D technologies. The map includes eight series of OCEAN, DRY, MAPPING, SUN, SHIELD, GREEN, HUE, and NEO, which systematically demonstrates TEX-RAY Industrial Co., Ltd.'s efforts in developing eco-friendly, energy-saving, carbon-reducing, and technology performance products.

(IV) Long-term/short-term business development plan

1. Short-term development:
   (1) Production strategy
   - Expand the proportion of ODM orders placed by customers to improve the gross profit margin.
   - Optimize the product development service procedure to shorten the time spent in customers in placing orders.
   - Continue to provide brand customers with innovative products to upgrade and grow with them.
   - Build the sustainable supply chain partnership to create a win-win situation therefor.

   (2) Marketing strategy:
   - Continue to develop the markets of the USA and South Africa thoroughly, develop the markets of Europe, Japan and other new emerging markets proactively, and also layout the Southbound market promoted by Taiwan government.
   - Use diverse marketing channels to actively participate in international exhibitions, and use the official website and social media to conduct marketing to enhance the brand image and product visibility of TEX-RAY Industrial Co., Ltd. and attract professional buyers.
   - Based on the core of sustainable textiles, we will continue to develop renewable materials, promote energy-saving and carbon-reduction processes, and strengthen the promotion of international markets, and continue to obtain sustainable certifications such as GRS, OEOKO-TEX, and Higg Index, etc.

2. Long-term development:
   (1) Develop innovative & eco-friendly, performance, technological and high-value-added products, and engage in vertical and horizontal alliances to drive the upgrading and development of Taiwan's textile industry.
   (2) Improve the corporate customization service, deepen the ability to maintain relations with customers, and upgrade the Company's products, services and integrated marketing abilities.
   (3) Adjust the market orientation of enterprise and product in line with the trend; propose the targets and programs for update and remodeling, structural adjustment and product upgrading, as the tool helping upgrade the marketing value.

(4) Continue to train internal talents, and recruit excellent project personnel to provide assistance, in order to secure the corporate sustainability.

II. Overview of Market and Production & Marketing

(I) Market analysis:

1. The regions and ratios of distribution of the main products in the most recent two years

Unit: NTD Thousand

Year		2023		2024	
Region		Sales value	%	Sales value	%
Export	Africa	1,020,781	22.41%	1,036,144	20.57%
	Americas	1,883,754	41.35%	2,213,332	43.94%
	Asia	1,083,336	23.78%	1,146,667	22.76%
	Others	220,649	4.84%	210,217	4.17%
Subtotal		4,208,520	92.39%	4,606,360	91.45%
Domestic sales		346,831	7.61%	430,743	8.55%
Total		4,555,351	100.00%	5,037,103	100.00%

Note: The sales value referred to herein means the net operating revenue.

2. Market share

The Company and multiple brand customers as strategic partners with the Company provide the one-stop value chain services consisting of design, fabrics and production of garment, in order to join the international brand customers' supplier teams and expand the global market step by step.

3. Future market demand and supply, and market's growth potential

(1) Future market demand and supply

In terms of the global demand for apparel, what we see is the increasing per capita in various countries and increasing population all over the world. As apparel is identified as the people's livelihood necessity, the demand thereof will grow stably. Besides, the demand for basic clothing will be upgraded to that for more delicate apparel step by step.

As far as the global apparel supply is concerned, since the global quota restrictions were terminated, the textile industry of Taiwan has kept facing the fierce competition with China, Korea and emerging Southeast Asia countries. As a result, in consideration of said territories' competitive strength in low-production

costs, the textile industry of Taiwan was forced to exit from the low-price market. Besides, due to political factors, Taiwan is often excluded from various tariff reciprocity organizations. Especially, upon USA's exit from TPP, the negative factors in trade competition caused more critical challenge to the business environment of Taiwan's textile industry. Meanwhile, international brand suppliers have successively promoted the electronic and digital supply chain, and reduced the number of their suppliers. Therefore, as far as domestic textile traders and SMEs are concerned, the room for business development is severely suppressed.

In order to deal with the unfair supply competition with the global textile industries, Taiwan's textile industry must orient its business development toward middle-end and high-end performance textiles, and aim to become the main country which international brand suppliers would procure performance textiles from, in response to its R&D, ability to innovate and high-end manufacturing technology. Meanwhile, in order to deal with the globalization and regional economic development trends, the Company will strengthen the "product differentiation" to define the market segment effectively and avoid market full of low-price competition. Taiwan's textile industry promotes the "e-industry" and "industrial globalization" and joins the e-industry global supply chain system, hoping to build the "channel brand" and strive for the opportunity to work with international major manufacturers.

TEX-RAY utilizes the "TexRay Seamless Value Added Chain" to integrate the Group's strategic strengths, manage the business stably and honestly, and create the innovative value management model reflecting the characteristics of TEX-RAY. Meanwhile, it layouts the global production to disperse the risk over competition in the market demand and supply adequately. In the meantime, the Company will continue to deepen the marketable design, R&D and market development to promote more valuable new products and services.

(2) Market's growth potential

As stated in the previous section, the global GDP keeps growing, so does the population, the global demand for textiles will grow stably for a long term. Notwithstanding, as far as Taiwan is concerned, given the fierce competition with China, Korea and emerging Southeast Asia countries, Taiwan was forced to exit from the low-price market and turned to seek another profit-seeking model instead. In the most recent 7 years, Taiwan's textile industry has transformed successfully and became the international brand and distributor. Meanwhile, Taiwan, as the

first priority country which performance textiles would be procured from, secures the global market share of such textiles more than 50%, particularly, its global market share of lamination is more than 70% and still growing.

TEX-RAY specializes in sports wear, particularly performance textiles and laminated products, as one of the leading manufacturers in the textile industry. It will continue to develop ① performance sportswear and fabrics. ②, smart clothing. ③, sustainable performance garment and fabrics. ④, leisure & sports performance garment and fabrics. ⑤, high-temperature-resistant and conductive fabrics. ⑥, high-visualization performance garment and fabrics. ⑦, pressure suit and related performance fabrics ⑧, lightweight and abrasion-resistant textiles under the greenhouse effect. ⑨Environmentally sustainable, low-pollution, and low-energy consumption textiles.

4. Competitive niche

Taiwan's textile industry has a complete development history. The upstream, midstream and downstream dealers may be integrated through strategic alliance or regional cluster, and may combine the cross-disciplinary technology to reflect the market development trends rapidly. The focus of industry value chain extends to the R&D and innovation in the upstream and midstream segments in order to upgrade the applications of high-value-added textiles for industry. Meanwhile, with the strengths in quality and price of performance textiles, in addition to the international certification and promotion, Taiwan's textiles secure the market share more than 50% in the global textile industry. Taiwan's textile industry's technology is still outperforming the other countries, and Taiwan is expected to become the "global best performance textiles procurement center." This is the competition and growth niche shared by Taiwan's textile industry. As indicated above, the main products of TEX-RAY are sitting on the train of niche and competition. Therefore, TEX-RAY will be glad to share and hold this opportunity with the others in Taiwan's textile industry.

Looking forward to the future, the global textile industry, following the development of technology and sustainability, is developing toward the era of "smart clothing" and "environmental sustainability." Such development is commonly recognized by the global textile industry and also represents the future of Taiwan's textile industry. TEX-RAY launches into the smart clothing area as the world-renown leading manufacturer. With the R&D, design and production & marketing leading globally, TEX-RAY can definitely show its power once the

era of smart clothing arrives. It also invested in eco-friendly products recently. The R&D, raw materials and production process thereof all satisfy the international norms and trends. TEX-RAY will continue to promote sustainable textiles to customers and does its job for the global environment.

5. Analysis on positive and negative factors for future development and responsive measures:

(1) Positive factors

A. R&D and innovation, and one-stop services:

The Company has been experienced in the industry for several decades. It learns from the market development trends and performs in-depth research and development of products that satisfy the market demand. Meanwhile, it set up the inspection center to proceed with related performance tests to meet the international certification standards, connect with the world, and also shorten the time spent in development to well know the competition in the market. Meanwhile, it assigns the design and development team dedicated to providing brand customers from various countries with complete products and services. The one-stop services consisting of market trends, development of fabrics, apparel design and production as provided by it may satisfy customers' demand.

B. The global layout maximizes the production efficiency:

In line with the international production job-division trend, the Company layout production sites all over the world to get close to customers' markets and provide them with the most convenient services, and reflect the market demand rapidly to improve the production efficiency. The production strategy for specialization of the production site is proposed subject to each production site's characteristics and specialty, in order to achieve higher management quality, and maximize the Group's resilient production efficiency subject to the flexible arrangement by each production site.

C. Professional system and institutionalization of management:

In response to the coming era of automation, the Company has introduced various tools, including digital fabrics, digital pattern making and fitting and ERP systems, multiple auxiliary systems, and automated machine and equipment. In the multiple systems, the Company controls the generation of big data and manages the database, and also reduce human errors. Meanwhile, utilization of data and information may help improve quality and efficiency.

(2) Negative factors and responsive measures

A. Significant fluctuation in the international raw material price:

The impact of climate changes and global situation has caused the imbalanced demand and supply of raw materials and supplies in the market. The unstable pricing will affect the Company's competitive strength.

Responsive measures:

In order to deal with the fluctuation in pricing on the international market, the Company's dedicated unit monitors the changes, and the Company strengthens the partnership with suppliers, agrees on the purchasing price earlier, and also develop the new supply chain to disperse risks.

B. Raise in production sites and increase in labor costs:

Following the development of industrial policies, the labor awareness has been rising in the developing countries. Labors in these countries also initiated multiple labor groups' sabotage activities in the recent years. Therefore, the production sites needed to recheck their labor policies and the costs were increasing year by year.

Responsive measures:

Introduce automated equipment and systems to optimize the overall production efficiency, retain skilled employees to maintain quality and efficiency, and review the salary management policies to keep the competitiveness.

C. Low-cost competition in emerging industrial countries:

Taiwan's textiles and garment export sale suffer from the pressure produced by low-production cost competition from emerging textile industrial countries. As a result, the low-price competition is getting more intensive on the market and poses threats on the trading performance of Taiwan's textile industry.

Responsive measures:

In terms of marketing strategies, avoid the international brands and distributors engaged in procurement at low price. In terms of product development strategies, focus on the "performance textiles" and the future big win, "smart clothing." Internally, cut costs, improve efficiency and strengthen competitiveness; externally, continue to develop competitive products, develop diversified business opportunities, expand emerging markets, provide more diversified products, and increase the added value of products.

Meanwhile, the Company uses the best effort to construct the global overall planning layout globally, choose the production sites with competitiveness to engage in production, take charge of distribution of orders and customers service, include the emerging markets, such as China and Southeast Asia, into the supply

chain resources, integrate the Group's resources thoroughly, and combine the abundant human resources in China and Southeast Asia countries, with Taiwan's excellent technology and experience in foreign trade, to develop the global textile market and create favorable business conditions definitely.

(II) Important purposes and production processes of main products

By department	Main products	Product description		Main purpose
Woven Fabric Business Division	Fabrics	Woven fabrics Knitted fabrics	1. Trading 2. Purchase of grey fabric for processing and sale 3. Purchase of grey yarn for knitting, dyeing and finishing, and sale.	Various garment materials.
Garment Business Division	Ready-to-wear clothing	Knitted and woven apparel	Purchase of finished fabric for processing, sewing and sale	T-shirts, Polo shirts, casual pants and dresses.

(III) Supply of main raw materials

By department	Product name	Main raw materials	Main sources	Situation
Woven Fabric Business Division	Woven fabric	Grey fabric/grey yarn	TUNG DA SHEN CO., LTD; Nanguang; Guan Jie	Fair
Garment Business Division	Ready-to-wear clothing	Knitted fabric and woven fabric	Woven Fabric Business Division	Fair

(IV) A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each

1. The information about main suppliers for the most recent two years

	2023				2024				Up to the first quarter of 2025			
Item	Designation	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Designation	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Designation	Amount	To the net procurement amount ending until the previous quarter in the current year (%)	Relationship with the issuer
1	Supplier A	228,536	10.42	-	Supplier A	321,875	12.02	-	-	-	-	-
	Others	1,964,644	89.58	-	Others	2,357,034	87.98	-	-	-	-	-
	Net procurement	2,193,180	100.00		Net procurement	2,678,909	100.00		Net procurement	-	-	

2. The information about main customers for the most recent two years

	2023				2024				Up to the first quarter of 2025			
Item	Designation	Amount	To the annual net sales amount (%)	Relationship with the issuer	Designation	Amount	To the annual net sales amount (%)	Relationship with the issuer	Designation	Amount	To the net sales amount ending until the previous quarter in the current year (%)	Relationship with the issuer
1	Supplier C	289,337	6.35	-	Supplier D	448,133	8.90	-	-	-	-	-
	Others	4,266,014	93.65	-	Others	4,588,970	91.1	-	-	-	-	-
	Net sales	4,555,351	100.00		Net sales	5,037,103	100.00		Net sales	-	-	

Note: The variance in amount and percentage of procurement/sale resulted from the change in the market environment.

Note: The financial statements for the first quarter of 2024 have not been audited, and information is not available for disclosure.

III. Information about the Number of Employees for the Most Recent Two Years

Year		2023	2024	Up to March 31, 2025 for the current year
Number of employees	Manager	67	66	68
	Production line employee	0	0	0
	General employee	150	133	138
	Total	217	199	206
Average age		44	45	46
Average service seniority		10	11	11
Academic background distribution ratio	Doctor	0	0	0
	Master	17	12	16
	College/ University	157	148	150
	Senior high school	32	29	29
	Below senior high school	11	10	11

IV. Information about Environment Protection Expenditure

(I) In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution: None.

(II) Countermeasures:

1. The Company's existing anti-pollution equipment operations conform to the testing standards set by the environmental protection agencies. The headquarters building has adopted energy conservation measures, including replacing all lighting with LED lights and implementing a midday lights-off policy. Internally, we prioritize the purchase of products labeled with the green mark and implement water-saving activities. In addition to the utilization rate, the Company values the electricity of the equipment and the balance between process water consumption and routine water consumption, in order to achieve the effective energy conservation and application of water resources.
2. Optimization of corporate environmental protection and green energy: Replace the Company's light steel frame ceilings with calcium silicate boards, the eco-friendly green construction materials, in order to protect the employees' health.
3. The replacement of the maglev water chiller in 2023 achieved 36% energy savings compared to the traditional spiral water chiller.
4. In 2024, the Company has begun to replace existing lighting equipment with LED panel lights, such that is is able to not only save energy and reduce environmental impact, but also extend the service life of the equipment and achieve uniform lighting.

Such replacement is able to reduce visual fatigue due to glare and non-uniform lighting, thereby creating a comfortable working environment.

V. Labor-Management Relations

1. The Company's employee benefit policy, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

(1) Personnel system

Recruit the talents who recognize the Company's core values, provide colleagues with the referral bonus; improve the newcomer care system; have HR Dept. personnel guide and explain the Company's core values, overview of the Company, the Company's systems, departments, products and customers, and internal operating procedures, etc..; have the dedicated counselor sent by each department lead each newcomer of TEX-RAY to integrate into the Company's environment; reasonable performance and reward & punishment system provide colleagues with the development outlook combining the organizational targets and personal targets.

(2) Employee benefit policy

A. Organize the Worker Welfare Committee, contribute 1% of the capital, 0.1% of the turnover and 40% of revenue from scraps, plus 0.5% contributed by employees, as the worker welfare fund, in order to operate the employee benefits effectively.

B. Gifts and cash gifts for Labor Day, Dragon Boat Festival and Moon Festival, etc.; year-end party lottery, monthly birthday celebrations, and books for birthday boys/girls;

C. Allocation of year-end bonus to employees each year.

D. Labor Insurance, National Health Insurance, overseas business travel insurance, employee group insurance.

E. Organize the two-day company trip each year, and encourage employees to bring their family members to take the trip with them at preferential costs.

F. Adopt the long-term bonus system specifying that any employee who satisfies the seniority for 10 years may receive additional bonus per 5 years.

G. Select employees winning credits each year to grant them the bonus and medal, hoping to inspire the other colleagues through the public commendation and incentive mechanism, and create the positive growth environment of common goods within the enterprise.

H. Organize the health checkup superior than that provided by laws and regulations for employees each year, in order to care the employees' health periodically.

I. Organize the sample auction, and allow employees to purchase the Company's products at discount from time to time.

J. Provide female employees who need to collect their breast milk with the breast milk collection room/breastfeeding room where the female employees may collect their breast milk without worry.

K. Encourage club establishment and provide subsidies, to promote employees to participate in healthy recreational activities and to relax physically and mentally during free time of work.

(3) Continuing education and training

The Company has established the TEX-RAY Academy platform to offer comprehensive and effective educational training programs that align with our corporate management system. We aim to convey the business philosophy of continuous improvement and ongoing strengthening of employees' job skills to enhance human resource quality and thereby improve work performance and organizational core competence.

In order to improve the knowledge, attitude and skill needed by the employees to deal with the transformation of enterprise and industry, we adopt the "Education and Training Management Regulations" based on the Company's overall development strategy. Meanwhile, in reference to the employees' career development and special missionary needs identified in the work statement, the Company plan the learning roadmap class schedule for employees. Through integration of the resources inside and outside the enterprise, the Company trains the abilities needed by employees for future development and promotion.

(4) Retirement system implementation status

The Company has adopted the retirement regulations applicable to the formal employees within its organization. For each of the employees who may apply the pension system under the "Labor Standards Act," the Company contributes the retirement pension fund equivalent to 2% of the employee's monthly salary and have the same deposited by Labor Retirement Pension Steering Committee into the exclusive account maintained at the Bank of Taiwan. Said Committee members may convene a meeting to discuss related matters from time to time. Two bases will be given to each employee whose service seniority is less than 15 years (inclusive)

for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The employee retirement fund is paid based on the employee's service seniority and the average salary (base) within 6 months prior to the date of approval for the retirement. For each of the employees who choose to apply the "Labor Pension Act," the Company contributes 6% of the employees' monthly salary to the personal pension account maintained at the Bureau of Labor Insurance on a monthly basis.

(5) Labor-management agreements and measures for preserving employees' rights and interests

A. Organize the labor-management meeting on a quarterly basis to have the management and labors' representative to discuss various labor motions jointly.
B. Set up a anonymous forum at the Company's portal site where all of employees may express their opinion freely.
C. Worker Welfare Committee is responsible for processing employees' benefits.
D. The HR unit is responsible for accepting the opinion or complaint submitted by employees.
E. Employees may reflect their opinion to their immediate unit supervisors in any form from time to time.
F. Organize the year-end seminar at the end of each year to shorten the gap of interaction between the senior management and employees, where the Company may communicate its business strategies and solicit for employees' suggestions about the Company's business administration, in order to set up the fair two-way communication mechanism and build a friendly workplace culture.

(6) Workplace diversity and equality

The Company is committed to creating a friendly working environment that promotes work equality and diversity, and is free from discrimination based on gender, race, age, marital status, political stance, religious beliefs, nationality, and other factors. We prohibit workplace bullying, provide workplace safety measures, and foster a work environment of mutual respect and a sense of belonging.

A. According to the Act of Gender Equality in Employment, gender equality in right-to-work must be ensured. In the course of recruitment, appointment, assessment, promotion, education and training, welfare measures, etc., there shall be no discrimination based on gender in the treatment received.
B. Sexual harassment is strictly prohibited. If any employee is interfered by verbal or physical conduct of a sexual nature or with an intent of gender discrimination, causing harm to their dignity, personal safety, and liberty, appropriate measures will be taken in accordance with the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" and other regulations to maintain gender equality in the workplace and provide a work environment free from sexual harassment for all employees

and visitors.

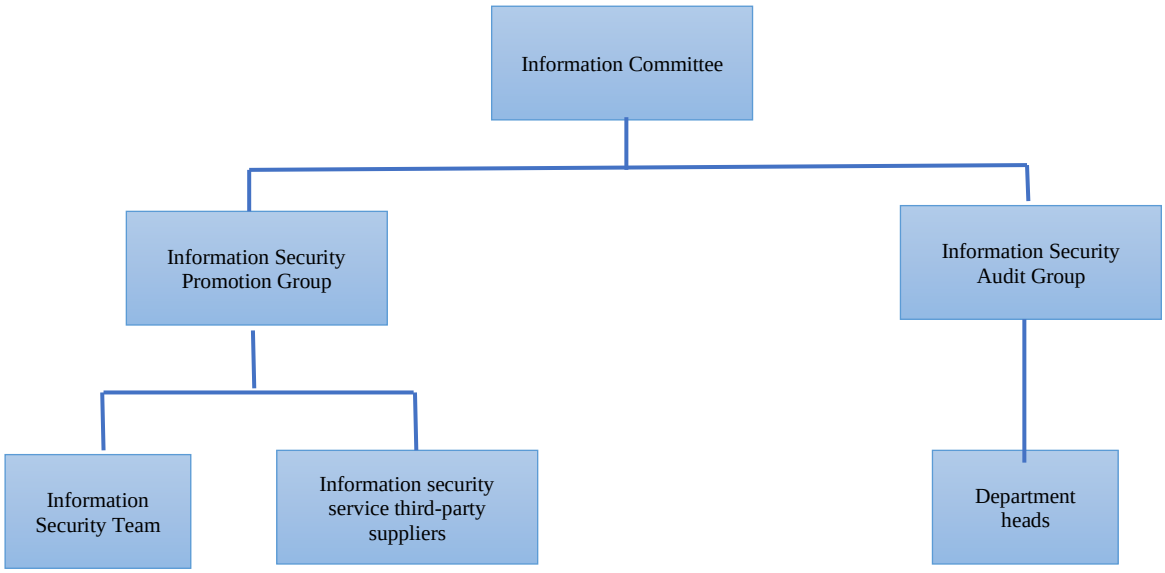
C. To safeguard employment opportunities for people with disabilities, we offer a fixed number of employment terms that comply with the People with Disabilities Rights Protection Act.

2. In the most recent year and up to the date of publication of the annual report, any losses suffered due to labor disputes and disclosure of current and future estimated amounts and possible responsive measures: None in the most recent year and up to the date of publication of the annual report.

VI. Cyber Security Management:

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

In order to improve the Group's information security management and facilitate the execution and promotion of information security-related policies, the Information Committee is responsible for reviewing each subsidiary's information security governance policies and supervising the status of information security management operations. The information security risk management framework and operations:



(1) Organizational structure and job description of the Information Committee

Information Committee	The management department head acts as the convener, and the heads of various departments act as the committee members, in order to assist the coordination of the promotion of information security management affairs. In case of job transfer, the immediate appointment of replacements and handover are to be performed.
Information security responsible supervisor	▪ Establish and maintain information security policies and goals ▪ Supervise operations of each team, in order to maintain continuous operation ▪ Report to the Information Committee on the operation of information security works ▪ Participate in the amendment of the information security policy ▪ Participate in the information security awareness promotion and educational training ▪ Cooperate with the business continuity operation to implement management and drills ▪ Participate in internal and external audit activities
Information Security Promotion Group	The information security responsible supervisor acts as the team leader and assigns team members to be responsible for planning and executing various information security operations and supervising suppliers/contractors.
Information Security Audit Group	The department head assigns team members; responsible for reviewing the information security policy and implementation status.

(2) Information security policy and concrete management programs

Adopting the information security-related regulations to prevent any information security incident from causing shutdown of various systems and govern information security incidents, which cover the following:

- Assets under management (AUM)
- HR safety
- Tangible and environmental safety
- Communications and operations management
- Access control
- Access to, and development and maintenance of information systems
- Information security incidents management
- Business continuity management

Concrete management policies are stated as following:

- Take inventory of internal information assets and report to various department heads

periodically.

- Establish the SOP for new employees' reporting on for duty and transfer in response to the HR unit to practice the control over HR precisely.
- Promote various information security courses periodically to improve the caution to the Company's employees about information security behaviors.
- Install and implement various information security software and hardware tools to improve the Company's ability to defend it against external force.
- The related network and system access authority shall be requested and approved online, and rechecked each year.
- Audit network traffic periodically to lock the extraordinary sources voluntarily in response to the alarm tools.
- Before implementation of various information tools, it is necessary to practice POC and related test reports; then, they may be introduced into the Company.
- Establish a dedicated maintenance window to control various information security incidents immediately, and complete the analysis, troubleshooting and feedback precisely.
- Arrange the exercise and verification about recovery of important systems each year, and set up the cloud storage and WFH environment.
- Regularly commission a third-party information consultant to conduct network vulnerability detection and scanning.

(5) Resources allocated for cyber security management

Information Security Promotion Team: A cybersecurity team of five members and two vendor companies providing cybersecurity assistance
Information Security Audit Team: Manpower 3 people

Cyber security-related meeting convention:

Meeting date	Meeting agenda
2024/4/18	● AI smart tool risk discussion. ● Quarterly work review of each team.
2024/07/15	● Information security inventory taking operation explanatory meetings ● Quarterly work review of each team.
2024/9/6	● Discussion on AD account zero trust mechanism. ● Submission of Group's information security report to the Board of Directors. ● Quarterly work review of each team.
2024/12/2	● Information security inventory taking and audit. ● Quarterly work review of each team.

(II) Any losses suffered by the Company in the most recent fiscal years and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Major Contracts:

Important Contracts

Nature of Contract	Party concerned	Start/end date of contract	Main Contents	Restrictive Clauses
Syndicated loans contract	Four banks including Chang Hwa Bank (CHB)	For five years from April 14, 2022	Facility: NT$1.2 billion	None
Mid-term loans contract	Sunny Bank	From May 5, 2022, 7 years	Facility: NT$1.25 billion	None

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

I. Financial Position:

Financial Status Comparison and Analysis Table

Unit: NTD Thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	4,231,913	4,645,624	413,711	9.78
Property, plant and equipment	1,878,958	1,896,267	17,309	0.92
Intangible assets	241,261	264,660	23,399	9.70
Other assets	1,914,669	1,933,888	19,219	1.00
Total assets	8,266,801	8,740,439	473,638	5.73
Current liabilities	3,071,002	3,482,696	411,694	13.41
Non-current liabilities	2,293,241	2,261,613	(31,628)	(1.38)
Total liabilities	5,364,243	5,744,309	380,066	7.09
Share capital	2,336,247	2,336,247	-	-
Capital surplus	254,267	254,520	253	0.10
Retained earnings	94,321	205,137	110,816	117.49
Other equity	79,678	94,353	14,675	18.42
Non-controlling equity	138,045	105,873	(32,172)	(23.31)
Total shareholders' equity	2,902,558	2,996,130	93,572	3.22

Description:
Increase in retained earnings: The net income in 2024 was NT$79,131 thousand, resulting in an increase in retained earnings.

II. Financial Performance:

Comparison and Analysis of Business Results

Unit: NTD Thousand

Item \ Year	2023	2024	Increase/decrease	Variance %
Operating revenue, net	4,555,351	5,037,103	481,752	10.58
Operating cost	3,785,652	3,975,688	190,036	5.02
Gross profit	769,699	1,061,415	291,716	37.90
Operating expense	951,294	995,513	44,219	4.65
Operating profit	(181,595)	65,902	247,497	(136.29)
Non-operating revenue and expense	114,745	108,238	(6,507)	(5.67)
Income from continuing operations	(66,850)	174,140	240,990	(360.49)
Income tax expenses	98,401	95,009	(3,392)	(3.45)
Net income	(165,251)	79,131	244,382	(147.89)
Other comprehensive income (net after tax)	(143,712)	15,690	159,402	(110.92)
Current total comprehensive income	(308,963)	94,821	403,784	(130.69)
Net income attributable to owners of the parent	(165,763)	108,340	274,103	(165.36)
Equity attributable to owners of the parent Total profit and loss	(309,747)	125,491	435,238	(140.51)

Description:

1. Gross profit and operating net income: In 2023, the revenue and gross profit were affected by the low-price goods from China sold in the African production area, such that the gross profit in 2023 was lower than the past years. The gross profit in 2024 returned to the normal level of the past years.
2. Analysis of net profit attributable to owners of the parent company: Attributed to the recognition of a foreign exchange gain of $43,103 thousand on the financial statements of foreign operations and the unrealized loss of equity instrument investment of NT$29,801 thousand in 2024.

Sales volume forecast and the basis thereof, and the effect upon the Company's business and finance, as well as the plans to be taken in response:

Although TEX-RAY has faced severe challenges in the textile and apparel industry in 2022, as the “home economy” has rapidly emerged recently, it has become a new pattern of channels and consumption model around the world. Under this situation, the company is also actively adjusting the company's business and manufacturing patterns to conform to the new trends in the market, emphasizing blockchain supply and rapid response, shortening the response and production time of the supply chain, in line with new consumption patterns and behaviors. By making

every possible effort, with controllable risks, the Company has still strived to debottleneck for developing new businesses, and continued the transformation, to improve the Company's margin and added value.

Over the past two decades, Taiwan's textile industry has become the important R&D and production location of performance fabrics in the world, with its strengths in "R&D and innovation" and "resilient production." Notwithstanding, the innovation and application of performance textiles have stuck in a bottleneck situation in the recent years. More and more products manufactured by various suppliers are identical with each other in nature, thus becoming a major concern in the textile industry. It is necessary to accelerate the transformation of Taiwan's performance textiles to help the relevant manufacturers maintain their competitiveness in the market.

The Company will use the best effort to:

1. Strengthen the global supply network management, and satisfy the duty-free and fast supply requirements, so that customers may place their orders anywhere in the world.
2. Deepen the regional market, provide more diversified products sellable in the domestic demand market and achieve the business target for economy blockchain;
3. Strengthen the ability to R&D and design, optimize the market value and product quality, and increase profit;
4. Strengthen the development of eco-friendly and performance textiles, aiming to innovate technologies and cultivate brands with potential;
5. Continue to adjust the business models, streamline the organizational framework and operating procedures, adjust organizations and cut units with poor business performance to cut costs effectively;
6. Expand the production capacity of excellent affiliated companies to increase the economic effects.

III. Cash Flow:

Cash flow analysis

Unit: NTD Thousand

Balance of cash, beginning	Net cash flow from operating activities for the year	Cash outflow for the year	Effect of changes in foreign exchange rate	Cash balance (deficit)	Corrective measures against insufficient cash position	
					Investment plan	Wealth management plan
2,102,688	163,144	(83,038)	57,339	2,240,133	-	-

Description: 1. Analysis on changes of cash flow for the year:
(1) Operating activities: 163,144
(2) Investing activities: (363,344)
(3) Financing activities: 281,306
2. Corrective measures against insufficient cash position, and analysis on liquidity: None.
3. Analysis on liquidity for the coming year:

Balance of cash, beginning	Projected net cash flow from operating activities for the year	Projected cash outflow for the year	Effect of changes in foreign exchange rate	Cash balance (deficit)	Corrective measures against insufficient cash position	
					Investment plan	Wealth management plan
2,240,133	155,439	77,079	(27,881)	2,444,770	-	-

IV. Impact posed by material capital expenditures to business and finance in the most recent year:

(I) Material capital expenditure utilization status and source of capital in the most recent year: None.

(II) Expected effects: None.

V. The investment policy for the most recent year, major causes for profit or loss thereof, improvements, and investment plans for next year: The Company had no major investments in 2024. No major investment is expected to be made in 2025.

VI. Analysis and Assessment on Risk Matters for the Most Recent Year and Up to the Printing date of the Annual Report:

(I) Effect upon the Company's profits (losses) of changes in interest rate, exchange rate, and inflation, and response measures to be taken in the future:

1. Interest rate: The Company maintains a sound financial position, continues to deepen cooperation with banks, and constantly keeps track of interest rate trends to minimize the funding cost.

   Countermeasures: Over the last two years, there has been a global tightening capital environment due to increasing interest rates. Despite that, the Company has managed to maintain a reasonable financial structure and obtain stable sources of funds by securing a $1.2 billion bank syndicated loan and a $1.25 billion mid to long-term loan from Sunny Bank.

2. Exchange rate

   The Company’s primary income and expenses are mainly in US dollars, with a natural hedging ratio exceeding 80%.

   The corresponding measures are as follows:

   (1) In terms of allocation of foreign exchange funds, change the international procurement to the local procurement, and cover the own foreign exchange disbursements with the own foreign exchange receipts, in order to mitigate the foreign exchange risk effectively.

   (2) Collect the information related to fluctuations in foreign exchange rate from time to time, and well know the foreign exchange trends to decide the timing to exchange for NTD or retain the fund in the foreign exchange account.

   (3) Improve the quality and added value of products, strive to control costs, facilitate the increase in gross profit of products, and mitigate the effect posed by fluctuations in foreign exchange rate to the gross profit.

3. Inflation rate

   The Company mainly operates by order-based outsourcing production, where inflationary cost risks can be reasonably passed on to suppliers or reflected in order prices. Meanwhile, we have also decentralized production through international procurement to effectively mitigate the impact of regional inflation.

   The corresponding measures are as follows:

   We will strengthen the customer and supplier partnerships and engage in international procurement to stabilize raw material costs.

(II) Policies for engaging in high-risk, highly leveraged investments, loans to others,

endorsements/guarantees, and derivatives transactions, the main reasons for profit or loss, and future countermeasures:

1. The Company did not engage in high-risk, highly-leveraged investments and derivative trading in 2024.
2. The parties that received funding from the Company in 2024 were all affiliated companies in which the Company directly participated in business management and were in need of short-term working capital. The main reason why the Company loaned the fund resided in the short-term financing need and facilitation of the repatriation of subsequent operating income to avoid the trouble caused by excessive capital investment and repatriation of fund upon capital decrease. No material effect has been posed to the Company's income therefor.
3. The parties for whom the Company provided endorsements/guarantees in 2024 were affiliated companies in which the Company directly participated in business management. The reasons for endorsements/guarantees were all related to the business needs of affiliated companies in applying for bank letters of credit and loan guarantee for working capital. Financially, the Company also asked its affiliates to bear the working fund cost independently. Therefore, in a short term, the parent company would make the guarantees to establish transaction relationship with banks to help them attain the long-term financial independence. As the Company participated in their business management directly, the guarantee risk corresponded to business risk. The guaranteed facility and ratio will be reduced step by step after the guaranteed companies achieve robust business and financial conditions.

(III) Future R&D plans and expected R&D expenditure:

Major R&D plans for 2024~2025	**Expected investment amount**
R&D of new products and performance product extensions ● Sport performance series ● Eco-friendly series ● Medical treatment and protection series ● Smart textile series	Operating revenue 0.5~1.5%
Professional team ● Upgrading of ODM team ● Establishment of TD technical team	Internal training
Automated equipment evaluation and implementation ● Global pattern making and marking system integration ● Automated warehousing ● Automated label printer	35,000,000
Information system ● Global ERP and production system optimization ● Group RPA implementation ● Information security system upgrading	45,000,000

(IV) Impacts of changes in important domestic and foreign policies and laws on the Company's financial operations and countermeasures:

The Company has a dedicated unit responsible for collecting and evaluating changes in domestic and foreign laws and regulations.

Impact	1. The free trade agreements signed under bilateral relationships or regional economic integration involving the countries where the Company's operation bases, suppliers' export countries, and customers' import countries are located, such as PTTP, RCEP, EVFTA, USMCA, AGOA, R-CTFL, as well as the US-China trade war since the second half of 2018, may lead to competition in the export markets, opportunities in the domestic market, shifting of production bases, and tariff increases and decreases. 2. Amendments to regulations concerning human rights/labor safety, basic wages, and environmental pollution in the country where we operate may result in higher production and operating costs. 3. The enhancement of safety standards and quality inspection specifications for textiles in the global market and among customers may affect production and operating costs. 4. The Company operates in various regions, including Asia, Africa, and the Americas. Fluctuations in exchange rates play a crucial role in the Company's competitiveness in order taking, and currency fluctuations may result in exchange losses.
Countermeasure	1. The Company has a dedicated unit responsible for collecting significant domestic and international policy/legal updates, the global market conditions of industry, politics, and economy, as well as the peer dynamics in the industry. The unit periodically/occasionally conducts consolidation analysis, risk assessments, and proposals for management to make

	decisions. 2. We have a multinational layout in Asia, North America, Africa, and Oceania to meet customers' various market demands. Each operating site has a management unit that promptly responds to changes in local law to ensure that operation and production comply with various regulations, such as human rights and environmental protection. 3. We will establish an evaluation system and communication mechanism with the supply chain through regular evaluation, occasional meetings and interviews, and other direct information transmission and communication. This will allow both parties to reach a stable and consistent consensus, ensuring that all products, from raw materials to finished products, meet the inspection standards, quality, safety, and other requirements of the importing country and customers. 4. We strive to supply the garment market through a regional economic model, with Africa and China regions focusing on the domestic market to avoid the impact of exchange rate fluctuations. As for the cross-border supply chain, the main revenues and expenses are in US dollars, with a natural hedge ratio of about 80%. Regarding the remaining parts, the company will adjust its exposure position as needed and adopt pre-sales approach for recurring hedging to reduce exchange rate risks.

(V) Impact of technological changes (including cyber security risks) and industrial changes on the company's financial operations and countermeasures: The Company has established information processing procedures (including cyber security) to implement internal control systems and maintain policies. Review and assessment of information processing related procedures are conducted from time to time, in order to ensure their appropriateness and effectiveness.

In recent years, the application of fabrics emphasizes performance and environmental protection, so the Company continues to focus on the development and application of new textile technologies. The garment industry is a labor-intensive industry; therefore, the Company will continue to strive for automation to improve production efficiency.

Impact	1. The development of new materials includes basic performance fabrics such as those with heat and cool sensations, UV resistance, moisture management, deodorization, water resistance, and windproof features. Additionally, there has been a growing demand for eco-friendly materials in the market in recent years, such as natural fibers, recycled yarns, and eco-friendly printing, which have led to a broader range of applications for textile products. 2. Garment manufacturing is a labor-intensive industry, and the production process relies heavily on labor. Although there is currently no fully automated production line available to reduce labor costs, but some automated/smart equipment and auxiliary devices are used to help improve productivity and quality, as well as eco-friendly and energy-saving equipment to reduce production costs. 3. Through the use of information management tools, operational processes can be streamlined, reducing both the time and manpower required. Information systems can collect all kinds of data, enhancing the accuracy and efficiency of integrated analysis.
Countermeasure	1. The Company is committed to investing in R&D of new materials, working closely with suppliers to develop them. These innovative materials are incorporated into eight different series of RAYS performance textiles. With ODM capabilities, we offer customers vertically integrated

	services and products that provide diverse added value. 2. The Company maintains good relationships with its suppliers, participates in textile-related seminars and exhibitions to attain the latest market trends, and consistently evaluates and invests in various automated/smart and environmentally energy-saving equipment. 3. The Company continues to implement various information systems and has a dedicated unit to periodically analyze and optimize system performance.

(VI) Impacts of change of cooperate image on the cooperate crisis management and countermeasures:

The Company and its subsidiaries uphold the principles of prudence and steadfastness, maintaining a decent corporate image. By entering the capital market, we aim to attract more outstanding talents to join the Company, strengthen the management team, return the business results to shareholders, and fulfill our social responsibility. Therefore, there has been no occurrence of events that could jeopardize the corporate image or any risk of a business crisis.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: None.

(VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: None.

(IX) Risks and responsive measures associated with concentrated sales or purchases:

The Company's major customers were all international renowned brand suppliers with low receivables risk. Besides, the Company has maintained adequate insurance. Therefore, the Company never suffered major credit risk loss.

(X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures:

(XI) Impact and risks on the Company due to a change of the right of management:

(XII) Litigations and non-contentious cases:

1. Please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, and any major shareholder holding over 10% of the Company's shares, and the affiliated companies: None.

2. Please specify the Company's directors, supervisors, or major shareholders holding over 10% of the Company's shares involved in matters described by Article 157 of the Securities and Exchange Act in the last two years until the publication date of this Annual Report as well as the current handling status by the Company: None.
3. Please specify the Company's directors, supervisors, or major shareholders holding over 10% of the Company's shares having experienced financial difficulties or lost creditworthiness in the last two years until the publication date of this Annual Report: None.
4. Others: None.

(XIII) Other important risks, and mitigation measures being or to be taken:

Modern businesses rely on information systems and networks to carry out transactions and manage their operations. As a result, cyber security has emerged as a critical risk for companies.

Impact	1. External threats come from frequent ransomware hacker attacks. 2. Internal threats come from information destruction, theft, and malicious sabotage.
Countermeasure	1. Upgrading cyber security facilities through the acquisition of software and hardware. 2. Prior to introducing or activating new information equipment, a security assessment and testing should be conducted. 3. Strengthening employee education and training on cyber security to enhance awareness and blocking insecure links to prevent hackers from exploiting vulnerabilities. 4. Regular backup, off-site backups, and disaster prevention drills. 5. Personnel permission, access rules, and control of portable access devices. 6. Activity logs are kept. 7. Regularly commission a third-party information consultant to conduct network vulnerability detection and scanning.

The Company is committed to ensure the safe and health of employees and the stable business development of the Company.

1. Establishment of response team: Reinforcing personnel management, environmental management, and information system planning under the scenario of working from home.

2. Strengthening personnel safety management: Implementing management mechanisms, including regular disinfection, temperature measurement, the establishment of a pandemic information notification system, reducing unnecessary gatherings, limiting business trips, establishing visitor rules, etc.

3. Raising the overall capital level as a principle to ensure the company's liquidity

4. Cost-cutting: Reducing or postponing unnecessary expenditures.

VII. Other Important Notes: None.

Six. Special Disclosure

I. Affiliated Enterprises Related Information: Please refer to MOPS for details.

II. Private placement of securities during the most recent year and up to the date of publication of the annual report: None.

III. Other Supplementary Notes: None.

IV. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.

TEX-RAY INDUSTRIAL CO., LTD.

Chairman: Ray Lin