

Common Stock Code: 1467



TEX-RAY INDUSTRIAL CO., LTD.

2024 Annual General Meeting

Agenda Handbook

June 14, 2024

Meeting Date: June 14, 2024

Venue: Meeting Room, 11F, No. 426 Linsen N. Rd., Zhongshan District, Taipei City

Form of the meeting: Hybrid shareholder's meeting

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One. Agenda

TEX-RAY INDUSTRIAL CO., LTD.
2024 Annual General Meeting Agenda

Time: 9:00 am, June 14, 2024

Venue: Meeting Room, 11F, No. 426 Linsen N. Rd., Zhongshan District, Taipei City

Form of the meeting: Hybrid shareholder's meeting

Call Meeting to Order:

Chairman's Address:

One. Report Items:

- I. 2023 Business Report
- II. Audit Committee's Review Report on 2023 Financial Statements
- III. Report on bonus to employees and remuneration to directors in 2023
- IV. Report on 2023 remuneration to directors
- V. Report on 2023 endorsement and guarantee and financing to third parties
- VI. Report on 2023 significant transactions with related parties
- VII. Report on the amendments to the Company's "Rules of Procedure for Board of Directors Meetings"
- VIII. Other reports

Two. Ratifications

- I. The 2023 Business Report and Financial Statement are submitted for ratification.
- II. The 2023 Deficit Compensation Statement is submitted for ratification.

Three. Discussions (I)

- I. Amendments to the Company's "Rules of Procedure for Shareholders' Meetings"

Four. Election: Approved the reelection of directors of 17th Board of Directors (11 directors to be elected (including 4 independent directors)).

Five. Discussions (II):

- I. Removal of non-competition restrictions imposed on the directors of the current Board of Directors.

Six. Other Motions and Extraordinary Motions

Seven. Meeting adjourned.

One. Report Items:

I. The 2023 business report is presented for review.

Explanation: For the Company's 2023 business report, please refer to Page 9 of Attachment I.

II. The Audit Committee' Review Report on the 2023 Financial Statements is presented for review.

Description:

- (I) The 2023 Financial Statements of the Company have been audited by certified public accountants and reviewed by the Audit Committee. An Auditors' Report and Audit Committee' Review Report have been issued accordingly. Please refer to Page 11 of Attachment II.
- (II) The Audit Committee is required to declare the Review Report.

III. The report on bonus to employees and remuneration to directors in 2023 is submitted for review.

Description:

- (I) Proceed in accordance with Article 31 of the "Articles of Incorporation" of the Company.
- (II) The Company had net loss before tax in 2023 and no remuneration shall be distributed to employees and directors.

IV. The report on 2023 remuneration to directors is submitted for review.

Explanation: For the information on the remuneration to the directors, including the remuneration policy, contents of remuneration to individual directors and the amount, please refer to Page 12 of Attachment III.

V. The report on 2023 endorsement and guarantee and financing to third parties is submitted for review.

Description:

- (I) The limit of endorsement and guarantee of the Company was NT\$2,764,513 thousand as of December 31, 2023, the actual amount of endorsement and guarantee was NT\$1,306,043 thousand on the same day. For additional information, please refer to Page 13 of Attachment IV.
- (II) The limit of the total financing of the Company to third parties was NT\$1,105,805 thousand as of December 31, 2023, and the actual amount of financing in favor of third parties was NT\$190,371 thousand on the same day. For additional information, please refer to Page 14 of Attachment V.
- (III) Report to the Shareholders Meeting in accordance with the Procedure for Endorsement and Guarantee of the Company.

VI. The report on 2023 significant transactions with related parties is presented for review.

Description:

- (I) The Company has established the "Regulations Governing Financial and Business Transactions Among the Affiliates," covering purchase and sale, acquisition or disposal of assets and management procedures for related transactions, and related significant transactions, which shall be implemented upon resolution of the Board of Directors. For additional information, please refer to Page 15 of Attachment VI.
- (II) Report to the Shareholders Meeting in accordance with the operation procedure of the Company.

VII. The r is presented for review.

Description:

- (I) Amendment to related operation procedures for bolstering the pursuit of the corporate governance 3.0 sustainable development blue print in accordance with the requirement of the competent authority, and also in supporting the actual operation of the Company.
- (II) For the Cross Reference Table of the Rules before and after the amendment, and provisions before the amendment, please refer to Pages 16~20 of Attachment VII.

VIII. The other reports are presented for review.

Description: The Company did not receive any motions for presenting to the Shareholders Meeting from shareholders in the period of proposal.

Two. Ratifications

I. Cause of motion: The 2023 Business Report and Financial Statements are submitted for ratification. (Proposed by the Board of Directors)

Description:

(I) The 2023 Business Report and Financial Statements of the Company have been audited by Tseng Kuo-Yang, CPA and Maggie Chang, CPA of KPMG Taiwan and reviewed by the Audit Committee. Enclosed therein please find the statements and business reports. For additional information, please refer to Page 9 of Attachment I and Pages 21~38 of Attachment VIII.

(II) Please ratify.

Resolution:

II. Cause of motion: The Company's 2023 deficit compensation proposal is submitted for ratification.

Description:

(I) The Company's undistributed earnings at the beginning of the 2023 was NT\$82,428,236, the net loss of the current period NT\$165,762,734, other comprehensive income NT\$476,847, and the accumulated losses at the end of the period NT\$82,857,651.

(II) For the deficit compensation statement, please refer to Page 39 of Attachment IX.

(III) Please ratify.

Resolution:

Three. Discussions (I):

I. Cause of motion: The amendments to the Company's "Rules of Procedure for Shareholders' Meetings" are submitted for discussion. (Proposed by the Board of Directors)

Description:

(I) In response to the Corporate Governance 3.0 and practical operations, the Company plans to amend the Rules of Procedure for Shareholders' Meetings. For the cross reference table of the provisions before and after the amendment, please refer to Pages 40~54 of Attachment X.

(II) Please discuss:

Resolution:

Four. Election:

I. Cause of motion: The reelection of directors of 17th Board of Directors (11 directors to be elected (including 4 independent directors) is proposed for discussion. (Proposed by the Board of Directors)

Description:

(I) The term of office of the incumbent directors of the Company will expire on July 11, 2024. In response to the reelection at the 2024 annual general meeting, the term of office of the incumbent directors will be terminated earlier at the end of 2024 annual general meeting.

(II) The Company has established the Audit Committee in accordance with Article 17 of the Articles of Incorporation. 11 directors (including 4 independent directors) are proposed to be elected at the annual general meeting. The directors are elected under a candidate nomination system, who shall hold the term of office for three years, starting from June 14, 2024 when the shareholders' meeting is convened until June 13, 2027.

(III) The list of candidates for new directors for the current term has been reviewed and approved by the Board of Directors on March 27, 2024. The educational background and work experience information of the candidates for directors (including independent directors) is provided as follows:

Job title	Name	Education	Experience	Shares held
Director	Ray Lin	MSM, Baker University	Chairman, TEX-RAY INDUSTRIAL CO., LTD.	6,120,000
Director	Yao Wan-Kuei	EMBA, National Chengchi University	Vice Chairman, TEX-RAY INDUSTRIAL CO., LTD.	3,830,239
Director	Chang Nei-Wen Representative of YUEDA Textile Financial Holding Limited (BVI)	Prograduate Student from Party School Senior CPA	Chairman, Jiangsu Yueda Group Co., Ltd.	42,052,440
Director	Tai Chun Representative of YUEDA Textile Financial Holding Limited (BVI)	MBA, Fudan University	Chairman, Jiangsu Yueda Textile Group Co., Ltd.	42,052,440
Director	He Yu	Department of International Business Administration, John F. Kennedy University, California	Chairman, Seven Pyramid Enterprise Co., Ltd./Seven Praise Optical Industry Co., Ltd.	73,912
Director	Yang Chia-Yin Representative of Suzhou Weide Co., Ltd.	Southern Illinois University	Director, ZENO APPAREL CO., LTD.	23,362,466
Director	Lin Tsung-Yi	University of New Haven	President, TEX-RAY INDUSTRIAL CO., LTD.	4,470,000
Independent Director	Tsai Chao-Lun	MBA, University of Wisconsin University	Chairman, Formostar Garment Co., Ltd. Director, BES Engineering Co.	0
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 University of Science and Technology	0
Independent Director	Lin Cheng Teh	Department of Business Administration, National Chung Hsing University.	Responsible person, ModernTimes Financial Information Co., Ltd.	0
Independent Director	Chen Wen-He	MBA, Chung Yuan Christian University CPA	Independent Director, G-TECH Optoelectronics Corporation	0

(III) Present for election.
Election results:

Five. Discussions(II):

Cause of motion: The removal of non-competition restrictions imposed on the directors of the current Board of Directors is proposed for discussion. (Proposed by the Board of Directors)

Description:

- (I) According to Paragraph 1, Article 209 of the Company Act, a director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent. Without prejudice to the interests of the Company, the non-competition restriction on directors shall be lifted from the date of inauguration.
- (II) Proposed to request the shareholders' meeting to approve the removal of non-competition restrictions on the new directors from the date of inauguration.
- (III) The proposal to lift the non-competition restrictions on the new directors and their representatives is stated as follows:

Job title	Name	Part-time and competing business items
Director	Ray Lin	Chairman, GREAT CPT INTERNATIONAL CO., LTD. Chairman, ZHENG-RAY INDUSTRIAL CO., LTD. Chairman, Taiwan Supercritical Technology Co., Ltd. Chairman, Tex-ray (Shanghai) Industrial Co., Ltd. Chairman, King's Metal Fiber Technologies Co. Ltd. Chairman, AIQ SMART CLOTHING INC. Chairman, Wiley Eco Print Industrial Co., Ltd. Chairman, HERBRAY BIOTECH LTD. Chairman, SEN JEWEL TECHNOLOGY CO., LTD. Chairman, GRANDNESS MEDICAL CO., LTD. Chairman, TAIWAN TOP TECHNOLOGY CORP.
Director	Chang Nei-Wen	Chairman, Jiangsu Yueda Group Co., Ltd. Chairman, Jiangsu Yueda Investment Co., Ltd. Chairman, Jiangsu Yueda KIA Motors Co., Ltd. Vice Chairman, CATARC Automotive Proving Ground Co., Ltd.
Director	Tai Chun	Chairman, Jiangsu Yueda Textile Group Co., Ltd. Chairman, Jiangsu Ouhua Textile Co., Ltd. Chairman, Jiangsu Yueda Textile Co., Ltd. Chairman, Jiangsu Yueda Home Life Science and Technology Co., Ltd. Director, Jiangsu Yueda Home Textile Co., Ltd.
Director	Yao Wan-Kuei	Chairman, Jiangsu Texray Fiber Technology Ltd. Chairman, Jiangsu Nanwei Yueda Garments Co., Ltd. Director, Tex-ray (Shanghai) Industrial Co., Ltd. Chairman, TAI CHAM TECHNOLOGY CO., LTD.

Director	He Yu	Chairman, Seven Pyramid Enterprise Co., Ltd. Chairman, Seven Praise Optical Industry Co., Ltd. Chairman, FREE TIME DIGITAL WINE COMPANY LIMITED
Director	Yang Chia-Yin	Chairman, ZENO APPAREL CO., LTD. Chairman, Suzhou Weide Co., Ltd. Chairman, CIAN CO., LTD. Chairman, Skye Textile Co., Ltd Taiwan Branch (BVI) Chairman, Sea Hai Co., Ltd. Chairman, Solar Empire Co., Ltd. Director, By Chance Co., Ltd. Director, Breatru CO., LTD.
Director	Lin Tsung-Yi	Director, King's Metal Fiber Technologies Co., Ltd. Director, Taiwan Supercritical Technology Co., Ltd. Director, EAI TECHNOLOGIES INC. Director, Carbon Cap Applications Technology Co. Supervisor, HERBRAY BIOTECH LTD.
Independent Director	Tsai Chao-Lun	Chairman, Formostar Garment Co., Ltd. Director, BES Engineering Co.
Independent Director	Chu Hsing-Hua	Director, Taiwan Textile Research Institute
Independent Director	Lin Cheng Teh	Chairman, ModernTimes Financial Information Co., Ltd.
Independent Director	Chen Wen-He	Independent Director, G-TECH Optoelectronics Corporation

Six. Other Motions and Extraordinary Motions:

Seven. Meeting Adjourned

Two. Attachment

TEX-RAY INDUSTRIAL CO., LTD.
Business Report

I. Operating Guideline

2023 is still a year of unstable political and economic environment, which is not conducive to the development of global economy. The Russo-Ukrainian War with no end in sight has delayed the recovery of price level. In addition, the start of the Israel-Palestine War has further pushed up the commodity prices, causing the global inflation crisis to continue. The central banks of various countries try to curb inflation, but they give rise to doubts of economic recession. The consumer market in the United States shows no improvement in 2023. In the face of many unfavorable external environmental factors, TEX-RAY has adjusted its global strategic layout; first of all, 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; thirdly, the production capacity in Africa is gradually developed to replace China And Vietnam's production capacity for affordable and long-term products, to achieve a balanced and stable global production and sales. Despite numerous difficulties and challenges, TEX-RAY, which previously integrated a global operations management system, continues to meet customer needs with excellent management capabilities, increase business value, and deepen design and research and development, resulting in the birth of more valuable new products and services.

Looking ahead, 2024 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.

II. Implementation Overview and Results

In order to keep abreast of the market trends and respond to the needs of rapid response, the Company has re-adjusted the roles and functions of the companies in different regions:

- (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) To respond to the domestic market for textiles and garment in China, the Company has adjusted its product categories in line with the domestic demand market and replaced customers with low profitability but higher risks. For the export business, products with high complexity but with better profitability will be made in China, while the other products are made in other production bases to meet customers' price needs.
- (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 enrich the product categories with more distinctive features and provide customers with more quality choices for customers to maintain our competitive advantage; in addition, we will add production lines to expand the export market in Europe and the United States, 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 rising wages in Vietnam, we timely seek new production bases to avoid loss of competitiveness.

(5) Further to the aforementioned “King's Metal Fiber Technologies Co., Ltd.”, the Company also starts to pay close attention to the development of new business such as the “Taiwan Supercritical Technology Co., Ltd.”, which business performance was record high last year. Through the commitment of group resources and effort, we expect to run the operation in diversity through the development of different types of business to avoid the operation risk deriving from excessive concentration.

III. The operating revenue and expenditure and budget execution

The Company did not prepare the financial forecast for 2024.

IV. Profitability Analysis

In 2023, the textile industry faced difficult challenges arising from the impact posed by inflation and declining consumption power, which also caused the Company's overall turnover to decline. As a result, the Company's gross profit margin declined under the circumstance that the fixed costs remained unchanged. Given this, the Company's overall operations became more conservative, avoided abusive investment and focused on the existing business and manufacturing mode, in order to cope with the market downturn and get through the economic winter.

V. Research and development status

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.” Further 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. In terms of products, we have integrated the RAYS performance textiles map and developed eco-friendly, energy-saving, carbon-reducing, and technology performance products, such as the ECO-LOR® series with dope dyeing process and the temperature-regulating textiles T-Cool® and T-Hot® series. 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 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 optimizes the existing traditional textile application business and further accelerates the research and development of eco-friendly and high-tech textile products, in order to win the next wave of competition of international textile products.

Chairman: Lin Zui Yeh

Manager: Lin Chung Yi

Accounting Supervisor: Wu Jianzhong

Attachment 2

Audit Committee's Report

The Audit Committee

The Company's 2023 financial statements and consolidated financial statements audited by Tseng Kuo Yang, CPA and Maggie Chang, CPA of KPMG Taiwan, 2023 business report and deficit compensation proposal, submitted by the Board of Directors, have been reviewed by the Audit Committee and no discrepancies were found. Therefore, in accordance with Article 219 of the Company Act, a report has been prepared for your verification.

To

2024 Annual General Meeting of Tex-Ray Industrial Co., Ltd.

Audit Committee of TEX-RAY INDUSTRIAL CO., LTD.

Convener: Tsai Chao-Lun

March 27, 2024

Attachment III. Compensation to directors (including independent directors)

Unit: NTD Thousand; December 31, 2023

Job title	Name	Compensation to directors								Total remuneration (A+B+C+D) and its ratio to net income (%) (Note 6)		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		
		Return (A)		Retirement Pension (B)		Remuneration to directors (C)		Professional practice fees (D)				Salary, bonus and special allowance, et al. (E)		Retirement Pension (F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements			
Chairman	Roy Lin	1,000	1,000	0	0	0	0	48	90	1,048/ (0.63)	1,090/ (0.66)	1,401	1,401	0	0	0	0	0	0	2,449/ (1.48)	2,491/ (1.50)	0
Vice Chairman	Yao Wan-Kuei	700	700	0	0	0	0	48	48	748/ (0.45)	748/ (0.45)	1,220	1,940	108	152	0	0	0	0	2,076/ (1.25)	2,840/ (1.71)	0
Director	Chang Nei-Wen Representative of YUEDA Textile Financial Holding Limited (BVI)	0	0	0	0	0	0	48	48	48/ (0.03)	48/ (0.03)	0	0	0	0	0	0	0	0	48/ (0.03)	48/ (0.03)	0
Director	Fai Chun	0	0	0	0	0	0	48	48	48/ (0.03)	48/ (0.03)	0	0	0	0	0	0	0	0	48/ (0.03)	48/ (0.03)	0
Director	Kuo Wen-Yen	0	0	0	0	0	0	48	48	48/ (0.03)	48/ (0.03)	0	0	0	0	0	0	0	0	48/ (0.03)	48/ (0.03)	0
Director	He Yu	0	0	0	0	0	0	48	48	48/ (0.03)	48/ (0.03)	0	0	0	0	0	0	0	0	48/ (0.03)	48/ (0.03)	0
Director	Representative of Suzhou Weide Co., Ltd.; Yang Chia-Yin	0	0	0	0	0	0	48	48	48/ (0.03)	48/ (0.03)	0	0	0	0	0	0	0	0	48/ (0.03)	48/ (0.03)	0
Independent Director	Tsai Chao-Lun	800	800	0	0	0	0	48	48	848/ (0.51)	848/ (0.51)	0	0	0	0	0	0	0	0	848/ (0.51)	848/ (0.51)	0
Independent Director	Li Mu-Jung	800	800	0	0	0	0	48	48	848/ (0.51)	848/ (0.51)	0	0	0	0	0	0	0	0	848/ (0.51)	848/ (0.51)	0
Independent Director	Chu Hsing-Hua	800	800	0	0	0	0	48	48	848/ (0.51)	848/ (0.51)	0	0	0	0	0	0	0	0	848/ (0.51)	848/ (0.51)	0
Independent Director	Lin Cheng Teh	300	300					36	36	336/ (0.20)	336/ (0.20)									336/ (0.20)	336/ (0.20)	
	Subtotal	4,400	4,400	0	0	0	0	516	558	4,916/ (2.97)	4,958/ (2.99)	2,621	3,341	108	152	0	0	0	0	7,645/ (4.61)	8,451/ (5.10)	0

The Company has adopted the “Regulations Governing Appraisal on Performance of the Board of Directors and Functional Committees,” and “Regulations Governing Payment of Compensation to Directors” as the basis for evaluation on independent directors and the other directors. If the Company records a profit in a year, the Company shall set aside no more than 2% thereof as the remuneration to directors, and then reasonable amount is paid in consideration of the Company’s overall business performance, future business risk and industrial development trend, and also in reference to personal performance achievement level and contribution to the Company’s operating efficiency. The directors who provide endorsements/guarantees are paid a fixed remuneration. The general directors only receive the transportation allowance and no remuneration. The independent directors receive the fixed remuneration (payable once per quarter) determined by the Board of Directors, while they are not allowed to participate in the Company’s remuneration distribution when profit is sought. The Chairman and Vice Chairman, who are also employees concurrently, receive fixed remuneration, except in 2023 in which they waived to claim the year-end bonus automatically as losses were gained in the same year. Currently, among the directors, only Chairman and Vice Chairman Yao serve as managers concurrently, who are paid the reasonable remuneration determined based on the pay level adopted by the peer companies.

Attachment IV. Status of endorsement and guarantee

Name of the endorser/guarantor	Entity for which the endorsement/guarantee is made		Ceiling on the endorsement/guarantee amount for a single enterprise	Highest endorsement/guarantee balance in this period	Endorsement/guarantee balance at end of period	Actual amount disbursed	Endorsement/guarantee amount with properties as security	Ratio of accumulated endorsement/guarantee amount to the net worth in the most recent financial statements	Maximum endorsement/guarantee amount	Endorsement/guarantee provided by the parent to subsidiary	Endorsement/guarantee provided by the subsidiary to parent	Endorsement/Guarantee provided to Mainland China region
	Name of the company	Relationship (Note 1)										
The Company	Tex-ray Textile Technology Co., Ltd.	2	1,382,257	825,210	721,568	506,160	290,087	26.10%	2,764,513	Y	N	Y
The Company	Tex-ray Apparel Co., Ltd.	2	1,382,257	251,360	153,525	52,027	-	5.55%	2,764,513	Y	N	Y
The Company	TEX-RAY(VN)	2	1,382,257	60,960	46,058	-	-	1.67%	2,764,513	Y	N	N
The Company	Tex-ray (Shanghai) Industrial Co., Ltd.	2	1,382,257	106,756	104,053	57,880	-	3.76%	2,764,513	Y	N	Y
The Company	TAIWAN SUPERCRITICAL TECHNOLOGY CO., LTD.	2	1,382,257	20,000	20,000	-	-	0.72%	2,764,513	Y	N	N
The Company	AIQ (Zhejiang)	2	1,382,257	63,720	-	-	-	%	2,764,513	Y	N	Y
The Company	AIQ SMART CLOTHING INC.	2	1,382,257	71,000	71,000	39,771	29,455	2.57%	2,764,513	Y	N	N
The Company	Wiley Eco Print Industrial Co., Ltd.	2	1,382,257	150,000	150,000	75,164	23,513	5.43%	2,764,513	Y	N	N
Tex-ray (Shanghai) Industrial Co., Ltd.	Kunshan Dongyi	2	420,308	44,482	43,355	22,545	-	10.32%	630,462	N	N	Y
Tex-ray Textile Technology Co., Ltd.	Tex-ray Apparel Co., Ltd.	4	1,382,257	177,927	173,422	173,422	163,029	6.27%	2,764,513	N	N	Y

Note 1: There are 6 types of relationship between the endorser/guarantor and the endorsee/guarantee as shown below. Please specify the type:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- (4) A company in which the Company directly and indirectly holds more than 90 percent of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for the Company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company in which all capital contributing shareholders make endorsements/ guarantees the jointly invested company in proportion to their shareholding percentages.

Note 2: The maximum amount of the endorsements/guarantees shall be no more than 100% of the net worth in the Company's most recent financial statements. Therefore, the net worth in the most recent financial statements shall be used for calculation and the limit is NT\$2,764,513 thousand \times 100% = NT\$2,764,513 thousand.

Note 3: The upper limit of the endorsements/guarantees for a single enterprise shall not exceed 50% of the net worth in the Company's most recent financial statements. Therefore, the net worth in the most recent financial statements shall be used for calculation and the limit is NT\$2,764,513 thousand \times 50% = NT\$1,382,257 thousand.

Note 4: The endorsement/guarantee amount provided to a single enterprise with which the Company does business may not exceed the total amount of the business transaction in the 12-month period prior to the endorsement/guarantee by both parties.

Attachment V. Loans of Funds to Others:

No.	The lending company	The borrower of the loan	Current accounts	Whether a related party	Maximum amount in the current period	Balance at end of period	Actual amount disbursed	Interest rate range	Type of loans (Note 1)	Amount of business transactions	Reasons for necessary short-term financing	Reserved loss allowance amount	Collaterals		Maximum amount of loans to a single entity	Aggregated amount of loans
													Designation	Value		
0	The Company	Tex-ray Apparel Co., Ltd.	Other receivables- Related parties	Yes	\$ 64,850	61,410	-	4%	2	-	Operating revenue turnover	-	-	-	1,105,805	1,105,805
0	The Company	GOOD TIME	"	Yes	37,506	36,846	36,846	2.5%	1	-	Operating revenue turnover	-	-	-	1,105,805	1,105,805
0	The Company	Tex-ray Textile Technology Co., Ltd.	"	Yes	64,850	61,410	61,410	4%	2	-	Operating revenue turnover	-	-	-	1,105,805	1,105,805
0	The Company	AIQ-S	"	Yes	32,425	30,705	26,283	4%	2	-	Operating revenue turnover	-	-	-	1,105,805	1,105,805
1	Z-PLY(NY)	Tex-ray Textile Technology Co., Ltd.	"	Yes	129,700	122,820	92,115	2.5%	2	-	Operating revenue turnover	-	-	-	317,763	476,654
1	Z-PLY(NY)	TEX-RAY (MEXICO)	"	Yes	64,850	61,410	-	2.5%	2	-	Operating revenue turnover	-	-	-	317,763	476,654
1	Z-PLY(NY)	AMRAY (MEXICO)	"	Note 6	31,860	-	-	2.5%	2	-	Operating revenue turnover	-	-	-	317,763	476,654
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-ray Textile Technology Co., Ltd.	"	Yes	266,891	260,133	189,680	6%	2	-	Operating revenue turnover	-	-	-	420,308	630,462
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-ray Apparel Co., Ltd.	"	Yes	88,964	86,711	-	6%	2	-	Operating revenue turnover	-	-	-	420,308	630,462
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	"	Yes	66,721	65,033	56,362	5.5%	2	-	Operating revenue turnover	-	-	-	168,123	168,123
3	TEX-RAY (MEXICO)	AMRAY (MEXICO)	"	Note 6	94,624	-	-	2.5%	2	-	Operating revenue turnover	-	-	-	377,635	566,453
4	TEX-RAY (CAYMAN)	TEX-RAY (MEXICO)	"	Yes	129,700	122,820	26,713	2.5-4%	2	-	Operating revenue turnover	-	-	-	552,186	828,279
4	TEX-RAY (CAYMAN)	AMRAY (MEXICO)	"	Note 6	286,740	-	-	2.5-4%	2	-	Operating revenue turnover	-	-	-	552,186	828,279

Note 1: Loans of funds is divided into the following two types:

- (1) The need for business dealings.
- (2) The need for short-term financing.

Note 2: Since the maximum amount on financing is capped at 40% of the Company's net worth, the net worth in the most recent financial report shall be used for calculation where the maximum amount is NT\$2,764,513 thousand \times 40% = NT\$1,105,805 thousand.

Note 3: Since the maximum amount on loans to a single entity is capped at 40% of the Company's net worth, the net worth in the most recent financial report shall be used for calculation where the maximum amount is NT\$2,764,513 thousand \times 40% = NT\$1,105,805 thousand.

Note 4: The maximum amount of financing is capped at 40% of the net worth of the borrower company as stated in the financial statements. However, the maximum amount of financing between foreign subsidiaries held 100% by the Company is limited to 150% of the net worth in the lending company's financial statements.

Note 5: The loan amount to an individual entity shall not exceed 40% of the subsidiary net worth as stated in the financial statements. However, the maximum amount of loans between foreign subsidiaries held 100% by the Company to an individual entity shall not exceed 100% of the subsidiaries' net worth of as stated in the financial statements.

Note 6: AMRAY (MEXICO) has ceased to be a constituent entity of the consolidated company since July 1, 2023, and it also ceased to be a related party since the same date.

Note 7: Said transactions have been written off when the consolidated financial statements were prepared.

Attachment VI. Significant transactions with related parties

1. Operating revenue

The amount of significant sales from the Company to the related parties is as follows:

Trading counterpart	Transaction amount	Whether the transaction price is calculated in accordance with the principles approved by the Board of Directors	Whether exceeding the upper limit of the annual transaction amount approved by the Board of Directors
Subsidiary - Z-PLY (NY)	\$ 491,542	Yes	No
Subsidiary - others	139,804	Yes	No
	<u>\$ 631,346</u>		

The Company sells goods to related parties based on the collection terms for 1~3 months, equivalent to those applicable to the general suppliers.

2. Operating cost

(1) The monetary amount of the Company's purchase from related parties is as follows:

Trading counterpart	Transaction amount	Whether the transaction price is calculated in accordance with the principles approved by the Board of Directors	Whether exceeding the upper limit of the annual transaction amount approved by the Board of Directors
Subsidiary	<u>\$ 86,955</u>	Yes	No

The Company purchases goods from related parties based on the payment terms for 1~3 months, equivalent to those applicable to the general suppliers.

(2) The amount of processing commissioned by the Company to the related parties is as follows:

Trading counterpart	Transaction amount	Whether the transaction price is calculated in accordance with the principles approved by the Board of Directors	Whether exceeding the upper limit of the annual transaction amount approved by the Board of Directors
Subsidiary - GOOD TIME	\$ 10,031	Yes	No
Subsidiary - TEXRAY (VN)	278,021	Yes	No
Subsidiary - others	9,020	Yes	No
	<u>\$ 297,072</u>		

For the Company's outsourcing transactions with related parties, prices and payment terms are negotiated separately according to the contents of the order.

When necessary, prepayment may be made depending on the operating needs of the related party.

Attachment VII

Mapping of the provisions of the Parliamentary Procedure for the Board before and after amendment of
 Tex-Ray Industrial Co., Ltd.

Number of article	Amended provisions	Current provisions	Description
Article 11	<p>...</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chairperson may announce postponement of the meeting time <u>on the same day</u>, provided that no more than two such postponements may be made. If the Presiding Officer has announced for the postponement of the meeting twice and by then the number of Directors attending the session is still less than half, the Presiding Officer shall call for a new round of the session pursuant to Paragraph 2 of Article 3.</p> <p>...</p>	<p>...</p> <p>If a session of the Board is attended by less than half of the Directors at the time scheduled for the meeting, the Presiding Officer shall announce for the postponement of the meeting for up to two times. If the Presiding Officer has announced for the postponement of the meeting twice and by then the number of Directors attending the session is still less than half, the Presiding Officer shall call for a new round of the session pursuant to Paragraph 2 of Article 3.</p> <p>...</p>	<p>In order to avoid disputes caused by the failure to determine the meeting time of the Board meeting, the provision expressly states that if the number of people in attendance is not sufficient, the chairperson may announce the postponement of the meeting on the same day only.</p>
Article 12	<p>...</p> <p>If a Board session is in progress and the number of Directors still falls below a simple majority, the Presiding Officer shall announce for the suspension of the proceedings at the suggestion of the Directors in session where the rules under Paragraph 5 of Article 11 shall be applicable with necessary changes made. <u>Paragraph 3 of Article 10 shall apply to the appointment of proxies if the chairperson is unable to preside over the meeting, or fails to adjourn the meeting in violation of the provisions of Paragraph 2.</u></p>	<p>...</p> <p>If a Board session is in progress and the number of Directors still falls below a simple majority, the Presiding Officer shall announce for the suspension of the proceedings at the suggestion of the Directors in session where the rules under Paragraph 5 of Article 11 shall be applicable with necessary changes made.</p>	<p>In order to avoid any impact on the operation of the Board of Directors when the chairperson is unable to preside over the meeting or fails to adjourn the meeting as required, the provision expressly states how the proxy of the chairperson shall be appointed.</p>

Attachment VII (Provisions before the amendment)

TEX-RAY INDUSTRIAL CO., LTD.

Rules of Procedure for the Board

- Article 1 This Procedure was instituted in accordance with the Regulations Governing Procedure for Board of Directors Meeting of Public Companies for the establishment of a viable governance system, vitalization of the monitoring function and bolstering the management mechanism of the Board.
- Article 2 The content of the agenda, the proceeding, the particulars to be inscribed as minutes of meeting, announcement, and others to be regulated by law shall be governed by this Procedure.
- Article 3 The Board of the Company will convene at least once quarterly.
The Board shall specify the reason for the convention and inform the Directors 7 days in advance, and may call for special session at any time in case of emergency.
The aforementioned notice of meeting may be made electronically at the consent of the respondents.
The matters referred to in Paragraph 1, Article 7 herein shall be listed in the meeting notice but not be proposed as an extraordinary Motion
- Article 4 The Board shall convene at the business place of the Company during regular business hours, or at a place and time convenient for the Directors to attend.
- Article 5 The General Management Department is designated as the administrative body of the Company. The administrative body shall prepare the agenda for the meeting of the Board and provide sufficient information for sending to the Directors together with the meeting notice.
If a director reckons that the meeting information is inadequate, he or she may ask the unit in-charge of the board of directors' meeting to supplement with more information. If the Directors suggest the information is not adequate, the review of the motion may be postponed at the resolution of the Board.
- Article 6 The agenda of the routine session of the Board shall cover at least the following:
I. Report Items.
(I) The minutes of meeting of the previous session and the follow-up action.
(II) Important business and financial reporting.
(III) Reporting on internal audits
(IV) Reporting on other important issues.
II. Discussion.
(I) Issues of discussion carried forward from the previous session.
(II) Issues for discussion in current session.
III. Extraordinary Motions.
- Article 7 The following shall be presented to the Board for discussion:
I. The Operation Plan of the Company.
II. Annual Financial Report and the financial report covering the 2nd quarter requiring audit by CPAs.
III. The establishment or revision of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter, "SEA"), and the evaluation of the effectiveness of the internal control system.
IV. The establishment or amendment to Article 36-1 of the SEA or the Procedures for the Acquisition or Disposal of Assets, Derivative Trade, Loaning of Funds, Endorsement and Guarantee, or others pertinent to financial transactions at significant level.
V. The offering, issuance, or private placement of any equity-type securities.
VI. If there is no position of Executive Director in the Board, the appoint or dismissal of the Chairman.
VII. The appointment or discharge of a financial, accounting, or internal audit officer.
VIII. Donation to related parties or significant donation to unrelated parties. provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
IX. Under Article 14-3, other materiality to be resolved by the Shareholders' Meeting of presented to the Board under other applicable laws or the Articles of Incorporation or required by the competent authority.
Related parties as referred to in Paragraph 7 shall be the related parties defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Significant donation by unrelated parties as referred to shall be the amount of each donation or the amount of donation to particular recipient in a year in accumulation exceeding NT\$100 million, or at 1% of the net operating income or 5% of the paid-in capital as presented in the audited financial statement covering the previous period. (For shares issued by foreign companies or share with face value other than NT\$10/share, the calculation of 5% of the paid-in capital will be based on 2.5% of the shareholders equity.)

One year as referred to in the preceding paragraph is based on the day on which the Board convened moving backward for one year in retrospect. The issues that have been passed by the Board could be excluded in the calculation.

At least one Independent Director shall attend the session of the Board in person. For issues to be presented to the Board for resolution as stated in the first paragraph, they should be passed by the Board in a session attended by all Independent Directors. If specific Independent Director cannot attend in person, another Independent Director shall be appointed as proxy to attend. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

Article 8 Further to the issues require for presenting to the Board for discussion as stated in Article 7-1, the Board of the Company shall empower the Chairman to exercise the power of the Board when the Board is in recess in accordance with the Articles of Incorporation. The content of the empowerment is specified as follows:

- I. The approval of the annual budget and the review of the annual account settlement.
- II. Signing contracts, memorandum and statement of intent with external parties.
- III. The approval of direct investment or acceptance of shares through assignment.
- IV. The appointment, dismissal, evaluation, reward or punishment, promotion, retirement, and remuneration of employees other than managers.
- V. The organizational structure of the Company and corporate strategy.
- VI. Authorization under related management regulations or gate approval of the Company.
- VII. The decision latitude authorized to the Chairman under the Procedure for the Acquisition or Disposal of Assets.
- VIII. The decision latitude authorized to the Chairman under the Procedure for Endorsement and Guarantee.
- IX. The approval of the base day for capitalization or recapitalization, and the ex-dividend day and payment day for cash dividend payment.
- X. Other areas of authorization to the Chairman by the Board.

Article 9 A sign-in registry shall be prepared for each session of the Board for the Directors to sign in and tracking the attendance of the Directors.

Directors shall attend all sessions of the Board in person. If specific Director cannot attend a session in person, it may appoint a proxy to attend in accordance with the Articles of Incorporation. If the Board convenes via videoconferencing, Directors participating in the videoconference shall be deemed attending the session in person.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Proxies as referred to in the preceding two paragraphs shall be limited to the authorization of only one other Director.

Article 10 If the Chairman calls for a session of the Board, the Chairman shall act as the Presiding Officer. For the 1st session of a new term of the Board, the Directors who won the absolute majority of the votes shall call for the session of the Board and act as the Presiding Officer. If there are 2 or more Directors entitled to call for the session of the Board, they shall nominate one among themselves to act as the Presiding Officer.

Pursuant to Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 that more than half of the Directors call for a session, they shall nominate one among themselves to act as the Presiding Officer.

In the absence of the Chairman due to leave taking or for other reasons, the Vice Chairman shall act on behalf of the Chairman. If there is no Vice Chairman or the Vice Chairman is also absent due to leave taking or for other reasons, the Chairman shall appoint one Executive Director as the proxy. If there is no position as Executive Director, the Chairman shall appoint one Director as the proxy. If not, the Directors shall nominate one among themselves to act as the Presiding Officer for the session.

Article 11 If specific department or party is involved in particular motion to be discussed and resolved by the Board in session, this department of party shall prepare related information and materials as reference for the Directors in session.

The Board shall inform related departments or subsidiaries to attend the session of the Board depending on the content of the motions.

CPAs, lawyers, or other professionals may be invited as observers to attend the session to provide related details where necessary. But they should be excused from the scene at the time of discussion or voting.

- The Presiding Officer of a Board session shall announce for the beginning of the session at the time as scheduled with the presence of more than half of the Directors.
- If a session of the Board is attended by less than half of the Directors at the time scheduled for the meeting, the Presiding Officer shall announce for the postponement of the meeting for up to two times. If the Presiding Officer has announced for the postponement of the meeting twice and by then the number of Directors attending the session is still less than half, the Presiding Officer shall call for a new round of the session pursuant to Paragraph 2 of Article 3.
- All Directors as referred to in the preceding paragraph and Subparagraph 2 of Paragraph 2 under Article 16 shall be based on the number of Directors in office.
- Article 12 The Board shall follow the agenda in the meeting but the agenda may be altered only at the consent of Directors in session by a simple majority. The Presiding Officer cannot announce for the adjournment of the meeting without the consent of the Directors in session by a simple majority.
- If a Board session is in progress and the number of Directors still falls below a simple majority, the Presiding Officer shall announce for the suspension of the proceedings at the suggestion of the Directors in session where the rules under Paragraph 5 of Article 11 shall be applicable with necessary changes made.
- Article 13 If the Presiding Officer deems the discussion on a particular motion is sufficient and could be referred to balloting, the Presiding officer shall announce for the conclusion of discussion and proceed to balloting.
- For motions presented to and discussed by the Board, If no Directors express adverse opinion in response to the inquiry of the Presiding Officer, it shall be deemed the passing of the motion at common consent of the Directors in session. If there is adverse opinion on particular motion in response to the inquiry of the Presiding Officer, this motion shall be referred to resolution by voting.
- The Presiding Officer may select any of the following method in voting. If there is no consensus about the method of voting among the Directors in session, decision may be made by a simple majority of the Directors in session.
- I. Vote by hand raising.
 - II. Vote by roll call.
 - III. Vote by balloting.
 - IV. Any mean as adopted by the Company.
- All Directors in session as stated in the preceding two paragraphs shall not include the Directors who cannot exercise voting right pursuant to Paragraph 1 under Article 15.
- Article 14 Resolutions of the Board shall be made in a session with the presence of at least half of the Directors and the approval by a simple majority of the Directors in session unless the SEA or the Company Act provides otherwise.
- When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If one motion has already been passed, all other motions shall be deemed vetoed that it is not necessary to put to vote again.
- If it is necessary for the appointment of scrutineers and tallying clerks in balloting on the motions, the Presiding Officer shall appoint these personnel but they must also be Directors.
- The voting result shall be announced on the scene and tracked into minutes of meeting on record.
- Article 15 If specific motion entails a conflict of interest between the Directors or the institutions they represented in the session of the Board, they shall explain the content in summary and the point of conflict. If such conflict of interest will jeopardize the interest of the Company, the Directors concerned may express opinion and respond to the queries from other Directors in session, but shall no take part and recuse from discussion and voting. In addition, these Directors cannot act as the proxies of other Directors in the discussion and voting on these motions.
- Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.
- The resolution of the Board shall be governed by Paragraph 4 under Article 206 of the Company Act, and Paragraph 2 under Article 180 of the same law with necessary changes made in handling Directors who cannot exercise voting rights.
- Article 16 The proceedings of the Board in session shall be tracked as the minutes of meeting on record with the following details inscribed:
- I. The session and the term of the Board (or year), and the place and time of the meeting.
 - II. The name of the Presiding Officer
 - III. The attendance of the Directors, including the names and number of the Directors in session, taking leave and absent.

- IV. The names and occupational titles of the observers in session.
- V. The name of the meeting recording clerk.
- VI. Report Items.
- VII. Discussion: the method and result of decision on motions, the summary of the speeches delivered by the Directors, experts, and other personnel, the names of the Directors for recusal to avoid the conflict of interest as stated in the first paragraph, key summary of the conflict of interest, the reason for recusal or no recusal, the pursuit of recusal, dissent or qualified opinion on record or in written declaration and the written opinion issued by Independent Directors pursuant to Paragraph 2 of Article 12.
- VIII. Extraordinary Motions: the name of the party presenting the motions, the method of resolution and the result, the summary of the speeches delivered by the Directors, experts, and other personnel, the names of the Directors for recusal to avoid the conflict of interest as stated in the first paragraph, key summary of the conflict of interest, the reason for recusal or no recusal, the pursuit of recusal, dissent or qualified opinion on record or in written declaration.
- IX. Miscellaneous

If any of the following applies to the resolutions of the Board, specify in the minutes of meeting on record, and report to Financial Supervisory Commission at its designated website, the MOPS, for declaration within 2 days after the meeting.

- I. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
- II. Motions not passed by the Audit Committee of the Meeting but passed by more than 2/3 of the Directors.

The sign-in registry shall constitute an integral part of the minute of meeting on record, and shall be kept by the Company within its perpetuity.

The minute of meeting on record for the Board shall be signed or affixed with the seal of the Presiding Officer and the meeting recording clerk, and distributed to the Directors within 20 days after the meeting. This document shall be listed as essential document files of the company and to be kept within the perpetuity of the Company.

The production of the minute of meeting on record may be made and distributed in electronic mean.

Article 17 The entire proceedings of the Board in session shall be tracked by voice recording or videotaping, and shall be kept for at least 5 years. The record may be kept in electronic mean.
In the event of legal action on specific resolution of the Board instated in the retention period of the above record, related voice records or videotapes shall be kept until the final ruling of the legal proceedings.

If the Board convenes via videoconferencing, the audiovisual data shall constitute an integral part of the meeting, and shall be kept within the perpetuity of the Company.

Article 18 The procedure for the Board of the Executive Directors of the Company shall be governed by Article 2, Paragraph 2 under Article 3, Article 4 to Article 6, Article 9, and Article 11 to Article 17 with necessary changes made. If the Board of Executive Directors convenes within 7 days, the Executive Directors shall be informed 2 days in advance.

Article 19 The Rules of Procedure for the Board shall be subject to the approval of the Board and reported to the Shareholders' Meeting. Any amendment thereto shall be resolved by the Board under authorization.

Independent Auditors' Report

To the Board of Directors of TEX-RAY INDUSTRIAL CO., LTD.:

Opinion

We have audited the consolidated financial statements of TEX-RAY INDUSTRIAL CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that in our professional judgement, should be communicated are as follows:

1. Revenue recognition

Please refer to Note 4(o) for the accounting policies on revenue and Note 6(t) "Revenue from contracts with customers" for the details of the related disclosure.

Description of key audit matter:

The Group is in the garment textile industry. In order to enhance the international competency, the management adopts global layout as its business strategy and adds multiple production and sales supply chains overseas. Therefore, the extent of influence of local laws and political and economic changes in various countries to such strategy increases dramatically. Resulting in that the revenue recognition is regarded as highly concerns. Therefore, the Group's revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

We have performed certain audit procedures including understanding the design of internal controls over the recognition of revenue and the collection of receivables, performing test of details by inspecting the sales orders, shipping records, invoices and documents related to accounts receivable and cash collection, and sending confirmation letters to verify the sales records and assessing the adequacy of revenue recognition. Furthermore, we also performed sample testing for verification from transactions within a period before and after balance sheet date to determine whether the revenue is recognized in appropriate period.

2. Valuation of accounts receivable

For the accounting policies on the valuation of accounts receivable, please refer to Note 4(g). Refer to Note 5(a) for the accounting estimates and assumptions related to the valuation of accounts receivable on reporting date and refer to Note 6(c) for the details of the accounts receivable.

Description of key audit matter:

As of December 31, 2023, the accounts receivable of the Group was \$669,992 thousand . We have considered that the Group's trading partners are scattered in different industries and geographic regions, how the management control credit risk of its customer is thoroughly important. Therefore, the impairment assessment of accounts receivable has been identified as one of the key audit matters.

How the matter was addressed in our audit:

We have performed certain audit procedures including inspecting the controls over customer credit assessment process, analyzing the accounts receivable aging table, viewing past collection experience of customers and checking cash collection records after the reporting date to evaluate whether the impairment of the accounts receivable has been properly assessed.

Other Matter

TEX-RAY INDUSTRIAL CO., LTD. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 27, 2024

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 2,102,688	25	2,144,613	25	2100	Short-term borrowings (Note 6(k))	\$ 1,245,076	15	1,440,752	17
1150	Notes receivable, net (Notes 6(c) and 7)	22,930	-	33,069	-	2110	Short-term notes and bills payable (Note 6(l))	709,282	9	279,473	3
1170	Accounts receivable, net (Notes 6(c) and 7)	669,992	8	720,650	8	2130	Current contract liabilities (Notes 6(t) and 7)	95,331	1	108,992	1
1200	Other receivables, net (Notes 6(d) and (f))	139,740	2	88,876	1	2150	Notes payable	7,262	-	1,653	-
1220	Current tax assets	4,558	-	5,283	-	2170	Accounts payable	447,123	6	536,277	6
1310	Inventories, manufacturing business, net (Note 6(e))	925,690	11	1,250,817	14	2200	Other payables	277,285	3	340,232	4
1410	Prepayments	133,577	2	134,589	2	2220	Other payables to related parties (Note 7)	74,981	1	20,816	-
1470	Other current assets	6,650	-	7,553	-	2230	Current tax liabilities	32,583	-	60,881	1
1476	Other current financial assets (Note 8)	226,088	3	178,190	2	2310	Advance receipts	5,073	-	4,733	-
		<u>4,231,913</u>	<u>51</u>	<u>4,563,640</u>	<u>52</u>	2313	Unearned revenue	329	-	2,836	-
Non-current assets:						2280	Current lease liabilities (Note 6(n))	46,158	1	46,253	1
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b) and (f))	47,016	1	24,512	-	2320	Long-term liabilities, current portion (Note 6(m))	121,371	1	118,053	1
1600	Property, plant and equipment (Notes 6(g) and 8)	1,878,958	23	1,936,570	22	2300	Other current liabilities	9,148	-	6,981	-
1755	Right-of-use assets (Notes 6(h) and 8)	234,854	3	301,164	3			<u>3,071,002</u>	<u>37</u>	<u>2,967,932</u>	<u>34</u>
1760	Investment property, net (Notes 6(i) and 8)	1,526,846	19	1,435,942	17	Non-Current liabilities:					
1780	Intangible assets (Note 6(j))	241,261	3	256,893	3	2540	Long-term borrowings (Note 6(m))	1,956,895	24	2,067,926	24
1840	Deferred tax assets (Note (q))	29,059	-	58,059	1	2570	Deferred tax liabilities (Note 6(q))	178,483	2	180,307	2
1960	Non-current prepayments for investments	9,245	-	-	-	2580	Non-current lease liabilities (Note 6(n))	144,801	2	205,220	2
1980	Other non-current financial assets (Note 8)	37,344	-	42,811	1	2640	Net defined benefit liabilities, non-current (Note 6(p))	6,754	-	11,719	-
1990	Other non-current assets, others	30,305	-	36,898	1	2670	Other non-current liabilities, others	6,308	-	4,430	-
		<u>4,034,888</u>	<u>49</u>	<u>4,092,849</u>	<u>48</u>			<u>2,293,241</u>	<u>28</u>	<u>2,469,602</u>	<u>28</u>
								<u>5,364,243</u>	<u>65</u>	<u>5,437,534</u>	<u>62</u>
Total assets		\$ 8,266,801	100	8,656,489	100	Total liabilities					
						Equity attributable to owners of parent (Note 6(r)):					
						3110	Ordinary share	2,336,247	28	2,336,247	27
						3200	Capital surplus	254,267	3	239,699	3
						3300	Retained earnings	94,321	1	259,608	3
						3400	Other equity interest	79,678	1	224,138	3
								<u>2,764,513</u>	<u>33</u>	<u>3,059,692</u>	<u>36</u>
						Total equity attributable to owners of parent:					
						36XX	Non-controlling interests	138,045	2	159,263	2
								<u>2,902,558</u>	<u>35</u>	<u>3,218,955</u>	<u>38</u>
						Total equity					
						Total liabilities and equity		\$ 8,266,801	100	8,656,489	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 6(t) and 7)	\$ 4,555,351	100	6,129,220	100
5000	Operating costs (Notes 6(e), (j) and (p))	<u>3,785,652</u>	<u>83</u>	<u>4,828,337</u>	<u>79</u>
5900	Gross profit from operations	<u>769,699</u>	<u>17</u>	<u>1,300,883</u>	<u>21</u>
6000	Operating expenses (Notes 6(j), (n), (p) and (u)):				
6100	Selling expenses	408,954	9	587,327	10
6200	Administrative expenses	481,776	10	534,329	8
6300	Research and development expenses	85,069	2	77,898	1
6450	Expected credit loss (gain) (Note 6(c))	<u>(24,505)</u>	<u>(1)</u>	<u>70,706</u>	<u>1</u>
		<u>951,294</u>	<u>20</u>	<u>1,270,260</u>	<u>20</u>
6900	Net operating (loss) income	<u>(181,595)</u>	<u>(3)</u>	<u>30,623</u>	<u>1</u>
7000	Non-operating income and expenses (Note 6(v)):				
7010	Other income (Note 7)	13,873	-	8,445	-
7020	Other gains and losses, net (Notes 6(f) and (j))	137,510	3	73,776	1
7100	Interest income	82,234	2	32,440	1
7510	Interest expense (Notes 6(n) and 7)	<u>(118,872)</u>	<u>(3)</u>	<u>(99,981)</u>	<u>(2)</u>
		<u>114,745</u>	<u>2</u>	<u>14,680</u>	<u>-</u>
7900	(Loss) Profit from continuing operations before tax	<u>(66,850)</u>	<u>(1)</u>	<u>45,303</u>	<u>1</u>
7950	Less: Income tax expenses (Note 6(q))	<u>98,401</u>	<u>2</u>	<u>86,977</u>	<u>1</u>
	Loss	<u>(165,251)</u>	<u>(3)</u>	<u>(41,674)</u>	<u>-</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	437	-	5,825	-
8312	Gains on revaluation surplus	-	-	958	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	<u>(68,384)</u>	<u>(2)</u>	<u>10,164</u>	<u>-</u>
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(67,947)</u>	<u>(2)</u>	<u>16,947</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	<u>(75,765)</u>	<u>(2)</u>	<u>151,156</u>	<u>2</u>
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(75,765)</u>	<u>(2)</u>	<u>151,156</u>	<u>2</u>
8300	Other comprehensive income	<u>(143,712)</u>	<u>(4)</u>	<u>168,103</u>	<u>2</u>
8500	Total comprehensive income	<u>\$ (308,963)</u>	<u>(7)</u>	<u>126,429</u>	<u>2</u>
8600	Loss, attributable to:				
8610	Owners of parent	\$ (165,763)	(3)	(38,383)	
8620	Non-controlling interests	<u>512</u>	<u>-</u>	<u>(3,291)</u>	<u>-</u>
		<u>\$ (165,251)</u>	<u>(3)</u>	<u>(41,674)</u>	<u>-</u>
8700	Comprehensive income attributable to:				
8710	Owners of parent	\$ (309,747)	(7)	125,025	2
8720	Non-controlling interests	<u>784</u>	<u>-</u>	<u>1,404</u>	<u>-</u>
		<u>\$ (308,963)</u>	<u>(7)</u>	<u>126,429</u>	<u>2</u>
	Earnings per share (Note 6(s))				
9750	Basic earnings per share (dollars)	<u>\$ (0.71)</u>		<u>(0.16)</u>	
9850	Diluted earnings per share (dollars)	<u>\$ (0.71)</u>		<u>(0.16)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus			
Balance at January 1, 2022	\$ 2,336,247	239,714	177,178	104,470	281,648	(975,090)	(36,504)	1,088,667	2,934,682	172,087	3,106,769
Loss	-	-	-	(38,383)	(38,383)	-	-	-	(38,383)	(3,291)	(41,674)
Other comprehensive income	-	-	-	5,661	5,661	151,107	5,682	958	163,408	4,695	168,103
Total comprehensive income	-	-	-	(32,722)	(32,722)	151,107	5,682	958	125,025	1,404	126,429
Changes in non-controlling interests	-	(15)	-	-	-	-	-	-	(15)	(14,228)	(14,243)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	10,682	10,682	-	(10,682)	-	-	-	-
Balance at December 31, 2022	2,336,247	239,699	177,178	82,430	259,608	(823,983)	(41,504)	1,089,625	3,059,692	159,263	3,218,955
(Loss) Profit	-	-	-	(165,763)	(165,763)	-	-	-	(165,763)	512	(165,251)
Other comprehensive income	-	-	-	476	476	(76,076)	(68,384)	-	(143,984)	272	(143,712)
Total comprehensive income	-	-	-	(165,287)	(165,287)	(76,076)	(68,384)	-	(309,747)	784	(308,963)
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	14,568	-	-	-	-	-	-	14,568	(14,568)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,434)	(7,434)
Balance at December 31, 2023	\$ <u>2,336,247</u>	<u>254,267</u>	<u>177,178</u>	<u>(82,857)</u>	<u>94,321</u>	<u>(900,059)</u>	<u>(109,888)</u>	<u>1,089,625</u>	<u>2,764,513</u>	<u>138,045</u>	<u>2,902,558</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (66,850)	45,303
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	212,790	203,482
Amortization expense	17,542	17,405
Provision for expected credit (gain) loss	(24,505)	70,706
Interest expense	118,872	99,981
Interest income	(82,234)	(32,440)
Dividend income	(546)	-
Loss on disposal of property, plan and equipment	(172)	(415)
Gain on disposal of investments	(3,527)	-
Impairment loss on non-financial assets	4,268	225
(Gain) loss on fair value adjustment of investment property	(51,021)	34,250
Gain on lease modification	(1,961)	(300)
Total adjustments to reconcile profit	<u>189,506</u>	<u>392,894</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	8,064	(31,961)
Decrease in accounts receivable	18,088	500,425
(Increase) decrease in other receivable	(31,320)	21,434
Decrease in inventories	263,177	241,612
Increase in prepayments	(10,877)	(5,760)
Decrease (increase) in other current assets	319	(4,420)
Total changes in operating assets	<u>247,451</u>	<u>721,330</u>
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(12,259)	28,630
Increase (decrease) in notes payable	5,609	(7,803)
Decrease in accounts payable	(34,082)	(334,846)
(Decrease) increase in other payable	(45,071)	25,190
Increase (decrease) in other payable to related parties	59,400	(8,211)
Increase (decrease) in other current liabilities	2,365	(965)
Decrease in net defined benefit liability	(4,489)	(4,389)
(Decrease) increase in deferred credits	(2,474)	2,846
Decrease in other operating liabilities	(610)	(32,706)
Total changes in operating liabilities	<u>(31,611)</u>	<u>(332,254)</u>
Total changes in operating assets and liabilities	<u>215,840</u>	<u>389,076</u>
Total adjustments	<u>405,346</u>	<u>781,970</u>
Cash inflow generated from operations	338,496	827,273
Interest received	82,234	32,440
Interest paid	(118,284)	(100,162)
Income taxes paid	(82,202)	(103,066)
Net cash flows from operating activities	<u>220,244</u>	<u>656,485</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(71,636)	(10,920)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	16,380
Acquisition of property, plant and equipment	(115,243)	(70,366)
Proceeds from disposal of property, plant and equipment	7,971	13,948
Acquisition of intangible assets	(6,062)	(8,080)
Proceeds from disposal of intangible assets	193	-
Increase in other financial assets	(45,284)	(10,419)
Increase in other non-current assets	(25,073)	(40,005)
Increase in prepayments for business facilities	(9,245)	-
Dividends received	546	-
Proceeds from disposal of subsidiaries	(8,686)	-
Net cash flows used in investing activities	<u>(272,519)</u>	<u>(109,462)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,948,665	2,734,980
Decrease in short-term loans	(2,144,341)	(2,726,477)
Increase in short-term notes and bills payable	1,189,809	779,889
Decrease in short-term notes and bills payable	(760,000)	(800,000)
Proceeds from long-term debt	52,000	1,941,111
Repayments of long-term debt	(156,716)	(1,672,205)
Payment of lease liabilities	(48,900)	(41,393)
Change in non-controlling interests	(7,434)	(14,243)
Net cash flows from financing activities	<u>73,083</u>	<u>201,662</u>
Effect of exchange rate changes on cash and cash equivalents	(62,733)	52,902
Net (decrease) increase in cash and cash equivalents	(41,925)	801,587
Cash and cash equivalents at beginning of period	<u>2,144,613</u>	<u>1,343,026</u>
Cash and cash equivalents at end of period	<u><u>\$ 2,102,688</u></u>	<u><u>2,144,613</u></u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of TEX-RAY INDUSTRIAL CO., LTD.

Opinion

We have audited the financial statements of TEX-RAY INDUSTRIAL CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that in our professional judgement, should be communicated are as follows:

1. Revenue recognition

Please refer to Note 4(o) for the accounting policies on revenue and Note 6(q) “Revenue from contracts with customers” for the details of the related disclosure.

Description of the key audit matter:

The Company is in the garment textile industry. In order to enhance the international competency, the management adopts global layout as its business strategy and adds multiple production and sales supply chains overseas. Therefore, the extent of influence of local laws and political and economic changes in various countries to such strategy increases dramatically. Resulting in that the revenue recognition is regarded as highly concerns. Therefore, the Company's revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

We have performed certain audit procedures including understanding the design of internal controls over the recognition of revenue and the collection of receivables, performing test of details by inspecting the sales orders, shipping records, invoices and documents related to accounts receivable and cash collection and assessing the adequacy of revenue recognition. Furthermore, we also performed sample testing for verification from transactions within a period before and after balance sheet date to determine whether the revenue is recognized in appropriate period.

2. Valuation of accounts receivable

For the accounting policies on the valuation of accounts receivable, please refer to Note 4(f). Refer to Note 5(a) for the accounting estimates and assumptions related to the valuation of accounts receivable on reporting date and refer to Note 6(c) for the details of the accounts receivable.

Description of the key audit matter:

As of December 31, 2023, the accounts receivable of the Company was \$242,703 thousand. We have considered that the Company's trading partners are scattered in different industries and geographic regions, how the management control credit risk of its customer is thoroughly important. Therefore, the impairment assessment of accounts receivable has been identified as one of the key audit matters.

How the matter was addressed in our audit:

We have performed certain audit procedures including inspecting the controls over customer credit assessment process, analyzing the accounts receivable aging table, viewing past collection experience of customers and checking cash collection records after the reporting date to evaluate whether the impairment of the accounts receivable has been properly assessed.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Kuo-Yang and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)

March 27, 2024

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022				Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:								Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 560,766	10	508,975	8	2100	Short-term borrowings (Note 6(i))	\$ 320,000	6	450,000	7		
1170	Accounts receivable, net (Notes 6(c) and (q))	242,703	4	167,516	3	2110	Short-term notes and bills payable (Note 6(j))	709,282	12	279,473	4		
1181	Accounts receivable due from related parties (Note 7)	65,371	1	115,349	2	2150	Notes payable	1,155	-	1,383	-		
1200	Other receivables, net	5,017	-	3,954	-	2170	Accounts payable	203,007	4	240,231	4		
1210	Other receivables due from related parties, net (Note 7)	126,844	2	47,473	1	2180	Accounts payable due to related parties (Note 7)	17,893	-	17,638	-		
1310	Inventories, manufacturing business, net (Note 6(d))	256,790	4	306,417	5	2200	Other payables	85,139	1	103,770	2		
1410	Prepayments (Note 7)	132,125	2	198,934	3	2220	Other payables due to related parties (Note 7)	504	-	291,657	4		
1470	Other current assets	232	-	1,995	-	2230	Current tax liabilities	7,176	-	41,363	1		
1476	Other current financial assets (Notes 6(h) and 8)	212,010	4	151,951	2	2280	Current lease liabilities	6,081	-	5,766	-		
		<u>1,601,858</u>	<u>27</u>	<u>1,502,564</u>	<u>24</u>	2320	Long-term liabilities, current portion (Note 6(k))	49,440	1	48,543	1		
						2300	Other current liabilities	6,897	-	2,776	-		
Non-current assets:								<u>1,406,574</u>	<u>24</u>	<u>1,482,600</u>	<u>23</u>		
1518	Non-current investments in equity instruments designated at fair value through other comprehensive income (Note 6(b))	21,574	-	20,012	-	Non-current liabilities:							
1550	Investments accounted for using equity method, net (Notes 6(e) and 7)	2,650,490	46	3,205,497	52	2540	Long-term borrowings (Note 6(k))	1,463,257	25	1,499,356	24		
1600	Property, plant and equipment (Notes 6(f) and 8)	420,210	7	420,896	7	2570	Deferred tax liabilities (Note 6(n))	177,699	3	179,123	3		
1755	Right-of-use assets	23,225	-	28,912	-	2580	Non-current lease liabilities	17,555	-	23,426	-		
1760	Investment property, net (Notes 6(g) and 8)	1,086,216	20	1,094,413	17	2640	Net defined benefit liability, non-current (Note 6(m))	6,443	-	10,323	-		
1780	Intangible assets	5,481	-	10,332	-	2670	Other non-current liabilities, others (Note 7)	960	-	46,947	1		
1840	Deferred tax assets (Note 6(n))	16,942	-	12,294	-			<u>1,665,914</u>	<u>28</u>	<u>1,759,175</u>	<u>28</u>		
1960	Prepayments for investments	6,165	-	-	-	Total liabilities		<u>3,072,488</u>	<u>52</u>	<u>3,241,775</u>	<u>51</u>		
1980	Other non-current financial assets (Notes 6(h) and 8)	4,840	-	4,690	-	Equity (Note 6(o)):							
1990	Other non-current assets	-	-	1,857	-	3110	Ordinary share	2,336,247	40	2,336,247	37		
		<u>4,235,143</u>	<u>73</u>	<u>4,798,903</u>	<u>76</u>	3200	Capital surplus (Note 6(e))	254,267	5	239,699	4		
						3300	Retained earnings	94,321	2	259,608	4		
						3400	Other equity interest	79,678	1	224,138	4		
						Total equity		<u>2,764,513</u>	<u>48</u>	<u>3,059,692</u>	<u>49</u>		
Total assets		<u>\$ 5,837,001</u>	<u>100</u>	<u>6,301,467</u>	<u>100</u>	Total liabilities and equity		<u>\$ 5,837,001</u>	<u>100</u>	<u>6,301,467</u>	<u>100</u>		

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenues (Notes 6(q) and 7)	\$ 2,118,137	100	2,878,383	100
5000 Operating costs (Notes 6(d), (m) and 7)	<u>1,821,831</u>	<u>86</u>	<u>2,411,182</u>	<u>84</u>
5900 Gross profit from operations	296,306	14	467,201	16
5910 Less: Unrealized profit from sales	(4,224)	-	(10,791)	-
5920 Add: Realized profit on from sales	<u>10,791</u>	<u>1</u>	<u>13,236</u>	<u>-</u>
5950 Gross profit from operations	<u>302,873</u>	<u>15</u>	<u>469,646</u>	<u>16</u>
6000 Operating expenses (Notes 6(c) and (m)):				
6100 Selling expenses	200,739	9	303,478	11
6200 Administrative expenses	136,077	6	154,472	5
6300 Research and development expenses	<u>26,222</u>	<u>1</u>	<u>16,967</u>	<u>1</u>
	<u>363,038</u>	<u>16</u>	<u>474,917</u>	<u>17</u>
6900 Net operating loss	<u>(60,165)</u>	<u>(1)</u>	<u>(5,271)</u>	<u>(1)</u>
7000 Non-operating income and expenses (Note 6(s)):				
7010 Other income (Note 7)	25,912	1	32,108	1
7020 Other gains and losses, net (Note 6(g))	3,889	-	73,566	3
7100 Interest income (Note 7)	23,591	1	3,170	-
7070 Share of loss of subsidiaries, associates and joint ventures accounted for using equity method, net	(117,671)	(6)	(95,170)	(3)
7510 Interest expense	<u>(48,473)</u>	<u>(2)</u>	<u>(33,549)</u>	<u>(1)</u>
	<u>(112,752)</u>	<u>(6)</u>	<u>(19,875)</u>	<u>-</u>
Loss before tax	(172,917)	(7)	(25,146)	(1)
7950 Less: Income tax expenses (Note 6(n))	<u>(7,154)</u>	<u>-</u>	<u>13,237</u>	<u>-</u>
Loss	<u>(165,763)</u>	<u>(7)</u>	<u>(38,383)</u>	<u>(1)</u>
8300 Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Losses on remeasurements of defined benefit plans	533	-	5,422	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(8,658)	-	-	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(59,783)	(3)	6,879	-
8349 Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	<u>(67,908)</u>	<u>(3)</u>	<u>12,301</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(76,076)	(4)	151,107	5
8399 Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	<u>(76,076)</u>	<u>(4)</u>	<u>151,107</u>	<u>5</u>
8300 Other comprehensive income	<u>(143,984)</u>	<u>(7)</u>	<u>163,408</u>	<u>5</u>
8500 Total comprehensive income	<u>\$ (309,747)</u>	<u>(14)</u>	<u>125,025</u>	<u>4</u>
Earnings per share (Note 6(p))				
9750 Basic earnings per share (dollars)	<u>\$ (0.71)</u>		<u>(0.16)</u>	
9850 Diluted earnings per share (dollars)	<u>\$ (0.71)</u>		<u>(0.16)</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Total other equity interest			Total equity
			Legal reserve	Unappropriated retained earnings	Total retained earnings		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total other equity interest	
Balance on January 1, 2021	\$ 2,336,247	239,714	177,178	104,470	281,648	(975,090)	(36,504)	1,088,667	77,073	2,934,682
Loss	-	-	-	(38,383)	(38,383)	-	-	-	-	(38,383)
Other comprehensive income	-	-	-	5,661	5,661	151,107	5,682	958	157,747	163,408
Total comprehensive income	-	-	-	(32,722)	(32,722)	151,107	5,682	958	157,747	125,025
Changes in ownership interests in subsidiaries	-	(15)	-	-	-	-	-	-	-	(15)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	10,682	10,682	-	(10,682)	-	(10,682)	-
Balance on December 31, 2022	2,336,247	239,699	177,178	82,430	259,608	(823,983)	(41,504)	1,089,625	224,138	3,059,692
Loss	-	-	-	(165,763)	(165,763)	-	-	-	-	(165,763)
Other comprehensive income	-	-	-	476	476	(76,076)	(68,384)	-	(144,460)	(143,984)
Total comprehensive income	-	-	-	(165,287)	(165,287)	(76,076)	(68,384)	-	(144,460)	(309,747)
Changes in ownership interests in subsidiaries	-	14,568	-	-	-	-	-	-	-	14,568
Balance on December 31, 2023	\$ 2,336,247	254,267	177,178	(82,857)	94,321	(900,059)	(109,888)	1,089,625	79,678	2,764,513

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Loss before tax	\$ (172,917)	(25,146)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	15,354	16,013
Amortization expense	6,734	6,569
Reversal of provision for expected credit loss (gain)	13	(146)
Interest expense	48,473	33,549
Interest income	(23,591)	(3,170)
Dividend income	(546)	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	117,671	95,170
Loss on disposal of property, plan and equipment	(100)	(95)
Unrealized loss from sales	(6,567)	(2,445)
Loss on fair value adjustment of investment property	6,540	7,193
Gain on lease modification	(2,216)	(2,240)
	-	(420)
Total adjustments to reconcile profit	<u>161,765</u>	<u>149,978</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable due from related parties	-	96
(Increase) decrease in accounts receivable	(75,200)	280,007
Decrease (increase) in accounts receivable due from related parties	49,978	(17,109)
(Increase) decrease in other receivables	(1,063)	1,243
Increase in other receivables due from related parties	(42,525)	(21,244)
Increase in inventories	49,627	171,276
Decrease (increase) in prepayments	9,163	(31,468)
Decrease (increase) in other current assets	1,763	(1,734)
Decrease (increase) in other financial assets	1,857	(1,856)
Total changes in operating assets	<u>(6,400)</u>	<u>379,211</u>
Changes in operating liabilities:		
Decrease in contract liabilities	-	(556)
Decrease in notes payable	(228)	(8,066)
Decrease in accounts payable	(37,224)	(80,622)
Increase in accounts payable due to related parties	255	11,714
(Decrease) increase in other payables	(18,455)	6,713
(Decrease) increase in other payable due to related parties	(214,415)	533
Increase (decrease) in other current liabilities	4,121	(6,024)
Decrease in net defined benefit liability	(3,347)	(4,164)
(Decrease) increase in other operating liabilities	(45,987)	500
Total changes in operating liabilities	<u>(315,280)</u>	<u>(79,972)</u>
Total changes in operating assets and liabilities	<u>(321,680)</u>	<u>299,239</u>
Total adjustments	<u>(159,915)</u>	<u>449,217</u>
Cash inflow generated (used in) from operations	(332,832)	424,071
Interest received	23,591	3,170
Interest paid	(48,649)	(33,345)
Income taxes paid	(33,105)	(33,177)
Net cash flows (used in) from operating activities	<u>(390,995)</u>	<u>360,719</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TEX-RAY INDUSTRIAL CO., LTD.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,220)	(10,920)
Acquisition of investments accounted for using equity method	(89,373)	(100,510)
Proceeds from disposal of investments accounted for using equity method	6,000	-
Increase in prepayments for investments	(6,165)	-
Proceeds from liquidation of investments accounted for using equity method	337,530	-
Acquisition of property, plant and equipment	(8,386)	(1,528)
Proceeds from disposal of property, plant and equipment	100	95
Acquisition of intangible assets	(1,883)	(5,059)
(Increase) decrease in other financial assets	(60,209)	511
Dividends received	19,933	20,680
Net cash flows from (used in) investing activities	<u>187,327</u>	<u>(96,731)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	810,000	1,225,000
Decrease in short-term loans	(940,000)	(1,215,000)
Increase in short-term notes and bills payable	1,189,809	779,889
Decrease in short-term notes and bills payable	(760,000)	(800,000)
Proceeds from long-term debt	10,344	287,553
Repayments of long-term debt	(48,543)	(140,000)
Payment of lease liabilities	(6,151)	(5,873)
Net cash flows from financing activities	<u>255,459</u>	<u>131,569</u>
Net increase in cash and cash equivalents	51,791	395,557
Cash and cash equivalents at beginning of period	<u>508,975</u>	<u>113,418</u>
Cash and cash equivalents at end of period	<u>\$ <u>560,766</u></u>	<u><u>508,975</u></u>

See accompanying notes to parent company only financial statements.

TEX-RAY INDUSTRIAL CO., LTD.
2023 Deficit Compensation Statement

Unit: NT\$

Item	Amount	Remarks
Undistributed earnings in the beginning of the period	82,428,236	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.
Net loss in current period	(165,762,734)	
Other comprehensive income	476,847	
Accumulated losses at the end of the period	(82,857,651)	

Note: No dividend payment to the employees and Directors, given the status of net loss in 2023.

Chairman: Lin Zui Yeh

Manager: Lin Chung Yi

Accounting Supervisor: Wu Jianzhong

TEX-RAY INDUSTRIAL CO., LTD.

Cross Reference Table of the Rules of Procedure for Shareholders' Meetings before and after the amendment

Number of article	Amended provisions	Current provisions	Description
Article 2	Shareholders holding more than 1% of the shares issued by the Company may present motion to the Shareholders Meeting in the regular session pursuant to Article 172-1 of the Company Act.	A sign-in registry shall be prepared for the shareholders (or proxies) to sign in for registration for admission to the Shareholders Meeting, or the attending shareholders (or proxies) may use their sign-in card in lieu of signing in. The appointment of proxies to attend Shareholders Meeting shall be governed by the Articles of Incorporation of the Company.	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.
Article 3	<p>Unless otherwise provided by law or regulation, shareholders' meetings of the Company shall be convened by the Board of Directors. Changes to the method of convening a shareholders' meeting of the Company shall be subject to a resolution by the Board of Directors, and made no later than the dispatch of the notice of the shareholders' meeting.</p> <p>The Company shall compile an electronic file that contains meeting notice, proxy letter form, motions for ratification, motions for discussion, election or dismissal of directors, etc. and post it on the MOPS before 30 days before the date of an annual general meeting or before 15 days before the date of a special shareholders' meeting. At least 21 days before an annual general meeting, or 15 days before a special shareholders' meeting, an electronic copy of the shareholders' meeting handbook and supplementary information shall be prepared and posted onto MOPS. Within 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplementary information and made them available for review by shareholders at any time. The same shall also be displayed at the premises of the Company and the professional shareholder services agent designated by the Company.</p> <p>The handbook and supplementary information referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the meeting in the following manners:</p> <p>I. For tangible shareholders' meetings, to be distributed on-site at the meeting.</p> <p>II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform in an electronic form.</p> <p>III. For shareholders' meeting convened by means of visual communication network only, to be shared on the virtual meeting platform in an electronic form.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of</p>	<p>The Board shall call for the convention of the Shareholders Meeting and compile the Meeting Handbook unless the law provides otherwise. The Meeting Handbook and other supplementary information on the meeting shall be disclosed before the meeting.</p> <p>Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval of directors' competition with the Company, capitalization of retained earnings and capital reserve, company dissolution, merger, spin-off, or the conditions set forth in Paragraph 1, Article 185 of the Company Act shall be set out, with the essential contents explained, in the notice of the reasons for convening the meeting. None of the above matters may be raised as an extraordinary Motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</p> <p>If an election of a new term of the Board of Directors and the date of assuming office of the Directors has been specified in the meeting notice as a part of the cause of convention, the said date of assuming office cannot be altered in the form of extraordinary Motion or other means on the same session of the Shareholders Meeting after the election was completed.</p>	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.

Number of article	Amended provisions	Current provisions	Description
	<p>the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors/supervisors, amendments to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval of directors' competition with the Company, capitalization of retained earnings and capital reserve, company dissolution, merger, spin-off, or the conditions set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, with the essential contents explained, in the notice of the reasons for convening the meeting. None of the above matters may be raised as an extraordinary motion.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may submit to the Company a proposal for discussion at an annual general meeting, provided that the shareholder is allowed to submit no more than one proposal to the annual general meeting. Any additional proposal will not be included into the motions. Additionally, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the motions.</p> <p>Any shareholder may submit any suggestive proposal to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, the shareholder is allowed to submit no more than one proposal pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included into the motions.</p> <p>Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholders shall limit their proposed motions to 300 words only. Proposals that exceed 300 words will not be accepted for discussion.</p> <p>Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy and participate in the discussion.</p>		

Number of article	Amended provisions	Current provisions	Description
	<p>The Company shall notify the resolution to the shareholders submitting the proposals before the date of notice for the shareholders' meeting, and list the motions meeting the requirements defined in this provision in the meeting notice. For shareholders' proposals that are not included in the motions, the Board of Directors shall explain the reasons for not including such proposals at the shareholders' meeting.</p>		
Article 4	<p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy letter issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy letter and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy letter to the Company 5 days before the date of the meeting. When duplicate proxy letters are delivered, the one received earliest shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.</p> <p>After a proxy letter has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.</p> <p>After a proxy letter has been delivered to the Company, if the shareholder intends to attend a visual shareholders' meeting, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.</p>	<p>Shareholders holding more than 1% of the shares issued by the Company may present motion to the Shareholders Meeting in the regular session pursuant to Article 172-1 of the Company Act.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 5	<p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p>Virtual shareholders' meetings are not subject to the location restrictions stated in the preceding Paragraph.</p>	<p>The Shareholders Meeting should be held at the business place of the Company or a place convenient for the shareholders to attend and the time should not be earlier than 9:00 am and later than 3:00 pm.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 6	<p>The Company shall specify in the meeting notice the time and place for acceptance of the registration from the shareholders, solicitors and proxies (hereinafter referred to as "shareholders") and other matters to be noted. The time when shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting</p>	<p>If the Shareholders Meeting convenes to the call of the Board, the Chairman shall act as the Presiding Officer. In the absence of the Chairman due to leave taking or for other reasons, the Vice Chairman shall act as the proxy for the Chairman. If there is no Vice Chairman or the Vice Chairman is also absent due to leave taking or for other reasons, the</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

Number of article	Amended provisions	Current provisions	Description
	<p>commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</p> <p>Shareholders shall attend the shareholders meeting with the attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily add requirements for other supporting documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting the proxy letters shall also bring identification documents for verification. The Company shall have a visitors' book for the attending shareholders to sign in, or the attending shareholders shall issue the sign-in cards instead.</p> <p>Shareholders who attend the meeting shall be given by the Company a copy of the meeting handbook, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Additional ballots shall be prepared if director/supervisor election is also being held during the meeting.</p> <p>If a shareholder is a government or legal person, the representative attending a shareholders' meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, only one representative may be appointed to attend such meeting.</p> <p>Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.</p> <p>In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other related information to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>	<p>Chairman shall appoint one Director as the proxy. If not, the Directors shall nominate one among themselves to act as the Presiding Officer for the meeting. If an entitled third party other than the Board calls for a session of the Shareholders Meeting, this party shall act as the Presiding Officer of the meeting. If there are 2 or more entitled parties calling for the session, these parties shall nominate one among themselves to act as the Presiding Officer.</p>	
Article 6-1	<p>The Company shall specify the following in the shareholders' meeting notice when convening a shareholders' meeting by means of visual communication network:</p> <p>I. Methods for shareholders to participate in the meeting and exercise their rights.</p> <p>II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</p> <p>(I) To what time the meeting is postponed or from what time the meeting will resume if the</p>	None	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.

Number of article	Amended provisions	Current provisions	Description
	<p>above obstruction continues and cannot be removed, and the date to which the meeting is postponed, if required, or on which the meeting will resume.</p> <p>(II) Shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</p> <p>(III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</p> <p>(IV) Actions to be taken if the outcome of all proposals have been announced while extraordinary Motions have not been carried out.</p> <p>III. When convening a virtual shareholders' meeting, the Company shall also specify in the meeting minute alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting. Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide said shareholders with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.</p>		
Article 7	<p>If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act as the chairperson. Where no Vice Chairman is appointed, or the Vice Chairman is on leave or for any reason unable to exercise the powers of the chairperson too, the Chairman shall designate one managing director to act on behalf of him/her. Where no managing director is appointed, the Chairman may designate one director to act on behalf of him/her. Where the Chairman does not make such a designation, the managing directors, or directors, shall select from among themselves one person to serve as chairperson.</p> <p>Any managing director or a director acting on behalf of the chair described in the preceding paragraph has served for more than six months</p>	<p>The attendance and voting of shareholders in the Shareholders Meeting shall be based on the quantity of shares represented. The quantity of shares represented by the shareholders in session shall be based on the record on the sign-in registry or the sign-in card being surrendered.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

Number of article	Amended provisions	Current provisions	Description
	<p>and is familiar with the Company's financial position and business operations. If a director as a legal person acts on behalf of the chairperson of a shareholders' meeting, such director shall also meet such requirements.</p> <p>It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.</p> <p>If a shareholders' meeting is convened by any person entitled to convene the meeting other than a member of the Board, such person shall preside at the meeting. However, if there are two or more persons entitled to convene the meeting, the chairperson of the meeting shall be elected from themselves.</p> <p>The Company may appoint the designated counsel, CPA or other related persons to attend the meeting.</p>		
Article 8	<p>The Company shall have the entire sign-in process, the process of a shareholders' meeting, and the voting and count of votes tape recorded or videotaped from the time of accepting the registration for attendance by shareholders. These tapes shall be preserved for at least one year. If a shareholder institutes legal proceedings in accordance with Article 189 of Taiwan's Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.</p> <p>Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The data and recordings referred to in the preceding paragraph shall be kept properly for as long as the Company exists. A copy of the recording shall also be retained by the video conference service provider.</p> <p>In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</p>	<p>If the shareholders representing more than half of the outstanding shares of the Company is present, the Presiding Officer shall announce the Shareholders Meeting in session. If not, the Presiding Officer shall announce for the postponement of the session. Such announcement of postponement may be announced twice only and the time lapse for each postponement shall not be longer than 1 hour. If the announcement for postponement of the session has been made twice and the number of shareholders in session still cannot represent 1/3 of the outstanding shares issued by the Company, the Presiding Officer shall announce to abort the session. If the number of shareholders in session can represent more than 1/3 of the outstanding shares issued by the Company after the announcement for postponement of the session twice, the Company shall make provisional resolutions pursuant to Article 175-1 of the Company Act, and call for a new session of the Shareholders Meeting within 1 month thereafter. If provisional resolution has been made, and the Shareholders Meeting is still in session with the presence of shareholders representing more than half of the outstanding shares issued by the Company, the Presiding Officer shall announce the Shareholders Meeting in session at any moment. The provisional resolution already made shall be referred to the voting by the shareholders in session pursuant to</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

Number of article	Amended provisions	Current provisions	Description
		Article 174.	
Article 9	<p>Attendance at a shareholders' meeting shall be based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairperson shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</p> <p>By the end of such meeting, if number of shares represented by the attending shareholders has already constituted more than one half of the outstanding shares, the chair may put the tentative resolution to the vote at the shareholders' meeting again in accordance with Article 174 of the Taiwan's Company Act.</p>	<p>The Company may appoint the retained legal counsel, certified public accountants, or related personnel to attend the session of the Shareholders Meeting as observers. The administrative staff of the Shareholders Meeting shall wear ID badge or arm badge for identification.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 10	<p>If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. Relevant motions (including extraordinary Motions and amendments to an original motion) should be decided by voting one by one. The meeting shall be conducted according to the scheduled agenda, and shall not be changed without the resolution of a shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders'</p>	<p>The Company shall keep track on the entire proceedings of the Shareholders Meeting by voice recording or videotaping and keep the record for at least 1 year.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

Number of article	Amended provisions	Current provisions	Description
	<p>meeting convened by a party with the power to convene other than the Board of Directors. The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary Motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</p>		
Article 11	<p>When a shareholder present at the shareholders' meeting wishes to speak, a speech note shall be filled out with summary of the speech, the shareholder's account number (or the number of attendance certificate) and the account name of the shareholder. The sequence of speeches shall be decided by the chairperson.</p> <p>If any shareholder present at the shareholders' meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such shareholder. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.</p> <p>Unless otherwise permitted by the chairperson, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 minutes. In case the speech of any shareholder violates this Paragraph or exceeds the scope of the agenda, the chairperson may stop the speech of such shareholder.</p> <p>Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.</p> <p>When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>If the Shareholders Meeting convenes to the call of the Board, the Board shall prepare the agenda. Related motions presented (including extraordinary Motions and amendment to the original motions) shall be put to vote one-by-one. The session shall be unfolded in accordance with the agenda and cannot be changed without the resolution of the Shareholders Meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.</p> <p>The Presiding Officer cannot announce for the adjournment of the session while the agenda as mentioned in the preceding 2 paragraphs (including extraordinary Motions) is still in progress unless under the resolution of the Shareholders Meeting.</p> <p>After the adjournment of the Shareholders Meeting, shareholders cannot nominate another Presiding Officer to continue the session at the same place or in another place. However, if the Presiding Officer acts in defiance of the Procedure by announcing for the adjournment of the session, the shareholders may appoint one person to act as the Presiding Officer by shareholders in session representing a simple majority of the votes to continue the session.</p> <p>The chair shall allow ample opportunity</p>	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.

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	<p>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the chairperson declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1~5 do not apply. If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.</p>	<p>during the meeting for explanation and discussion of proposals and of amendments or extraordinary Motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</p>	
Article 12	<p>Votes in shareholders' meetings shall be calculated based on the number of shares held. The shares held by shareholders having no voting rights shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. Shareholders that are stakeholders in matters discussed in the meeting to accordingly likely undermine the interests of the Company may not take part in the voting session and may not exercise voting rights on behalf of other shareholders.</p> <p>The number of shares involved in the voting right that may not be exercised as indicated in the preceding paragraph is not included as part of the voting weights of attending shareholders. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting rights shall not be counted.</p>	<p>Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. If specific shareholder (or proxy) just presented the message memo but did not present the speech, it shall be deemed no expression of opinion. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.</p>	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.
Article 13	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deem them to have attended the meeting in person, but to have waived their rights with respect to the extraordinary Motions and amendments or alternatives to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extraordinary Motions and amendments to original proposals.</p>	<p>The same shareholder (proxy) cannot express opinion on particular motion more than twice unless at the consent of the Presiding Officer. The duration for each instance of opinion expression is limited to 5 minutes. If specific shareholder acts in defiance of this rule or the content of the speech is deviated from the subject matter of the motion, the Presiding Officer shall stop this shareholder from further expression of opinion.</p>	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.

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	<p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company no later than two days before the date of the shareholders' meeting. When a duplicate declaration of intent is delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After shareholders exercise their voting rights by correspondence or electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph no later than two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised by correspondence or electronic means shall prevail. If a shareholder exercises their voting rights by correspondence or electronic means and appoints a proxy with a proxy form to attend a shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes,</p>		

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	<p>shall be announced on-site at the meeting, and a record made of the vote.</p> <p>When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the Chair calls the meeting to order. They shall complete the voting before the Chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.</p> <p>When a shareholders' meeting is convened by video conference, after the chairperson declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.</p> <p>If a hybrid shareholders' meeting is convened, shareholders, who have registered to attend the shareholders' meeting by video conference in accordance with Article 6 and intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration no later than two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.</p> <p>Those who exercise their voting rights by correspondence or electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extraordinary Motions.</p>		
Article 14	<p>When the shareholders' meeting elects directors/supervisors, it shall proceed in accordance with the regulations for election of directors established by the Company, and shall announce the results of the election on the spot, including the name list of elected directors/supervisors and the number of votes with which they were elected, and the name list of directors/supervisors not elected and number of votes they received.</p> <p>All ballots used in the election referred to in the preceding paragraph shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. If a shareholder institutes legal proceedings in accordance with Article 189 of Taiwan's Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.</p>	<p>If an institutional shareholder is appointed to attend the Shareholders Meeting as a proxy, this institutional shareholders may only act as the proxy of only one other shareholder. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 15	<p>Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The</p>	<p>After the speech of any attending shareholder, the chairperson may respond himself/herself or appoint an appropriate person to respond.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

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	<p>meeting minute may be produced and distributed in an electronic form.</p> <p>The Company may distribute the meeting minute referred to in the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minute shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors/supervisors. The minute shall be retained for the duration of the existence of the Company.</p> <p>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minute as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and minute recorder's name, alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with, shall also be included in the minute.</p> <p>When convening a virtual shareholders' meeting, in addition to complying with the requirements in the preceding paragraph, the Company shall also specify in the meeting minute alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting.</p>		
Article 16	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p> <p>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the number of votes represented by</p>	<p>If the Presiding Officer deems the discussion on particular motion is enough and it is high time to put to vote, the Presiding Officer can announce for the end of discussion and refer the motion to voting.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

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	<p>attending shareholders is released during the meeting.</p> <p>For decisions made during a shareholders' meeting, if any significant information specified in laws and regulations or by the Taiwan Stock Exchange Corporation (or Taipei Exchange) is involved, the Company shall transmit the contents to the Market Observation Post System within the specified period of time.</p>		
Article 17	<p>Staff organizing the shareholders' meeting shall wear a badge or a shoulder patch.</p> <p>The chairperson may have the inspectors or security to help maintain order on the floor.</p> <p>When helping maintain order in the venue, the inspectors or security shall wear the "inspector" shoulder patch or badge.</p> <p>When loud speakers are available in the venue and shareholders do not speak through the equipment configured by the Company, the chairperson may stop their speech.</p> <p>When shareholders violate these Rules and disobey correction from the chairperson and obstruct the proceedings of the meeting, demonstrating disobedience upon interference, the chairperson may have the inspectors or security to ask the specific shareholder to leave the venue.</p>	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The outcome of a vote at the audit committee meeting shall be reported on the spot and be recorded accordingly.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 18	<p>When a meeting is ongoing, the chairperson may announce time for a break whenever it is considered appropriate. In cases of force majeure events, the chairperson may decide to hold a meeting for the time being and announce the time for the meeting to continue, depending on the circumstances.</p> <p>Before the agenda (including the extraordinary Motions) of a shareholders' meeting is completed yet the venue of the meeting cannot continue to be used, the meeting may be continued at another venue found on the basis of a decision made in the shareholders' meeting. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</p>	<p>The Presiding Officer may announce for a recess while the session in progress.</p> <p>In the event of force majeure, the Presiding Officer shall announce for the suspension of the session, and announce the time for continuation depending on the circumstance.</p> <p>If the meeting place can not longer be available for the meeting of Shareholders Meeting before the conclusion of the agenda (including extraordinary Motions), the Shareholders Meeting may resolve to seek another place to continue the meeting.</p> <p>A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>
Article 19	<p>When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose them for at least 15 minutes after the chairperson declares the meeting adjourned.</p>	<p>Shareholders are entitled to one vote for the holding of each share except for restricted shares units or shares bearing no voting right as prescribed in Article 179 of the Company Act.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

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		rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.	
Article 20	When a shareholders' meeting is convened by video conference, the chairperson and the minute taker shall be at the same location in Taiwan, and the chairperson shall disclose the address of the location when calling the meeting to order.	There may be amendment or substitute of particular motion being proposed, the Presiding Officer shall determine the priority of voting on the original motion, the amendment or the substitute to the motion. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.
Article 21	<p>When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.</p> <p>In the event of a shareholders' meeting by video conference, the chairperson shall, when calling the meeting to order, announce that, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conference platform or participation in the meeting by video conference is obstructed due to natural disasters, accidents, or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for 30 minutes or more, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</p> <p>In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting.</p> <p>For the meeting to be postponed or resumed under Paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights, and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the postponed or resumed meeting.</p>	The Presiding Officer shall appoint prefects (or security guards) to keep the order of the meeting place. The prefects (or security guard) shall wear arm badge or ID badge marked "Prefect" while performing their duties in keeping the order of the meeting place.	Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.

Number of article	Amended provisions	Current provisions	Description
	<p>When a shareholders' meeting is postponed or resumed in accordance with Paragraph 2, the motions, for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, there is no need for them to be discussed or resolved again.</p> <p>When the Company convenes a hybrid shareholder's meeting, if the video conference cannot continue as under Paragraph 2, after the number of shares in attendance through the video conference is deducted, if the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with Paragraph 2.</p> <p>When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to have abstained for all motions resolved at the shareholders' meeting.</p> <p>When the Company postpones or resumes the meeting in accordance with Paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.</p> <p>Based on the period under the ending section of Article 12 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17, of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting to a date as per Paragraph 2.</p>		
Article 22	<p>When the Company convenes a virtual-only shareholders' meeting, it shall make appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting. Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide said shareholders with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.</p>	<p>Anything not covered by this Procedure shall be governed by the Company, the Articles of Incorporation of the Company, or other applicable legal rules.</p>	<p>Amended in accordance with Tai-Zheng-Zhi-Li-Zi No. 1120004167 issued by TWSE.</p>

TEX-RAY INDUSTRIAL CO., LTD.
Rules of Procedure for Shareholders' Meetings

Approved by the Board on March 26, 2020

- Article 1: The parliamentary procedure of the Shareholders Meeting of the Company shall be governed by this Procedure unless the law or the Articles of Incorporation provides otherwise.
- Article 2: A sign-in registry shall be prepared for the shareholders (or proxies) to sign in for registration for admission to the Shareholders Meeting, or the attending shareholders (or proxies) may use their sign-in card in lieu of signing in. The appointment of proxies to attend Shareholders Meeting shall be governed by the Articles of Incorporation of the Company.
- Article 3: The Board shall call for the convention of the Shareholders Meeting and compile the Meeting Handbook unless the law provides otherwise. The Meeting Handbook and other supplementary information on the meeting shall be disclosed before the meeting.
Topics like the appointment or dismissal of Directors, amendment to the Articles of Incorporation, cash buy-back for recapitalization, application for withdrawal from public offering, permission of competition among the Directors, capitalization of retained earnings into new shares, capitalization of additional paid-in capital into new shares, dissolution of the Company, corporate merger or demerger, or anything as inscribed in Paragraph 1 of Article 185 of the Company Act shall be specified as a part of the cause of convention with the summary of the content explained. These topics cannot be proposed as extraordinary Motions. The summary of these topics may be posted at the designated website of the competent authority of securities or the Company with the website IP marked on the meeting notice.
If an election of a new term of the Board of Directors and the date of assuming office of the Directors has been specified in the meeting notice as a part of the cause of convention, the said date of assuming office cannot be altered in the form of extraordinary Motion or other means on the same session of the Shareholders Meeting after the election was completed.
- Article 4: Shareholders holding more than 1% of the shares issued by the Company may present motion to the Shareholders Meeting in the regular session pursuant to Article 172-1 of the Company Act.
- Article 5: The Shareholders Meeting should be held at the business place of the Company or a place convenient for the shareholders to attend and the time should not be earlier than 9:00 am and later than 3:00 pm.
- Article 6: If the Shareholders Meeting convenes to the call of the Board, the Chairman shall act as the Presiding Officer. In the absence of the Chairman due to leave taking or for other reasons, the Vice Chairman shall act as the proxy for the Chairman. If there is no Vice Chairman or the Vice Chairman is also absent due to leave taking or for other reasons, the Chairman shall appoint one Director as the proxy. If not, the Directors shall nominate one among themselves to act as the Presiding Officer for the meeting.
If an entitled third party other than the Board calls for a session of the Shareholders Meeting, this party shall act as the Presiding Officer of the meeting. If there are 2 or more entitled parties calling for the session, these parties shall nominate one among themselves to act as the Presiding Officer.
- Article 7: The attendance and voting of shareholders in the Shareholders Meeting shall be based on the quantity of shares represented. The quantity of shares represented by the shareholders in session shall be based on the record on the sign-in registry or the sign-in card being surrendered.
- Article 8: If the shareholders representing more than half of the outstanding shares of the Company is present, the Presiding Officer shall announce the Shareholders Meeting in session. If not, the Presiding Officer shall announce for the postponement of the session. Such announcement of postponement may be announced twice only and the time lapse for each postponement shall not be longer than 1 hour. If the announcement for postponement of the session has been made twice and the number of shareholders in session still cannot represent 1/3 of the outstanding shares issued by the Company, the Presiding Officer shall announce to abort the session. If the number of shareholders in session can represent more than 1/3 of the outstanding shares issued by the Company after the announcement for postponement of the session twice, the Company shall make provisional resolutions pursuant to Article 175-1 of the Company Act, and call for a new session of the Shareholders Meeting within 1 month thereafter. If provisional resolution has been made, and the Shareholders Meeting is still in session with the presence of shareholders representing more than half of the outstanding shares issued by the Company, the Presiding Officer shall announce the Shareholders Meeting in session at any moment. The provisional resolution already made shall be referred to the voting by the shareholders in session pursuant to Article 174.

- Article 9: The Company may appoint the retained legal counsel, certified public accountants, or related personnel to attend the session of the Shareholders Meeting as observers. The administrative staff of the Shareholders Meeting shall wear ID badge or arm badge for identification.
- Article 10: The Company shall keep track on the entire proceedings of the Shareholders Meeting by voice recording or videotaping and keep the record for at least 1 year.
- Article 11: If the Shareholders Meeting convenes to the call of the Board, the Board shall prepare the agenda. Related motions presented (including extraordinary Motions and amendment to the original motions) shall be put to vote one-by-one. The session shall be unfolded in accordance with the agenda and cannot be changed without the resolution of the Shareholders Meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors. The Presiding Officer cannot announce for the adjournment of the session while the agenda as mentioned in the preceding 2 paragraphs (including extraordinary Motions) is still in progress unless under the resolution of the Shareholders Meeting. After the adjournment of the Shareholders Meeting, shareholders cannot nominate another Presiding Officer to continue the session at the same place or in another place. However, if the Presiding Officer acts in defiance of the Procedure by announcing for the adjournment of the session, the shareholders may appoint one person to act as the Presiding Officer by shareholders in session representing a simple majority of the votes to continue the session. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary Motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- Article 12: Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. If specific shareholder (or proxy) just presented the message memo but did not present the speech, it shall be deemed no expression of opinion. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.
- Article 13: The same shareholder (proxy) cannot express opinion on particular motion more than twice unless at the consent of the Presiding Officer. The duration for each instance of opinion expression is limited to 5 minutes. If specific shareholder acts in defiance of this rule or the content of the speech is deviated from the subject matter of the motion, the Presiding Officer shall stop this shareholder from further expression of opinion.
- Article 14: If an institutional shareholder is appointed to attend the Shareholders Meeting as a proxy, this institutional shareholders may only act as the proxy of only one other shareholder. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 15: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 16: If the Presiding Officer deems the discussion on particular motion is enough and it is high time to put to vote, the Presiding Officer can announce for the end of discussion and refer the motion to voting.
- Article 17: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The outcome of a vote at the audit committee meeting shall be reported on the spot and be recorded accordingly.
- Article 18: The Presiding Officer may announce for a recess while the session in progress. In the event of force majeure, the Presiding Officer shall announce for the suspension of the session, and announce the time for continuation depending on the circumstance. If the meeting place can not longer be available for the meeting of Shareholders Meeting before the conclusion of the agenda (including extraordinary Motions), the Shareholders Meeting may resolve to seek another place to continue the meeting. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19: Shareholders are entitled to one vote for the holding of each share except for restricted shares units or shares bearing no voting right as prescribed in Article 179 of the Company Act. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each

proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

- Article 20: There may be amendment or substitute of particular motion being proposed, the Presiding Officer shall determine the priority of voting on the original motion, the amendment or the substitute to the motion. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.
- Article 21: The Presiding Officer shall appoint prefects (or security guards) to keep the order of the meeting place. The prefects (or security guard) shall wear arm badge or ID badge marked "Prefect" while performing their duties in keeping the order of the meeting place.
- Article 22: Anything not covered by this Procedure shall be governed by the Company, the Articles of Incorporation of the Company, or other applicable legal rules.
- Article 23: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

TEX-RAY INDUSTRIAL CO., LTD.

Regulations Governing the Election of Directors and Independent Directors

Approved by the board of directors on March 27, 2020

- Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Regulations.
- Article 2: The registered cumulative voting method shall be adopted for the election of the Company's directors. Each share shall have the number of voting rights equal to the directors to be elected in accordance with the law. One candidate may be cast for a centralized election or several candidates may be allocated, and the ones with the greatest number of voting rights shall be elected in sequential order. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. When the Company elects independent directors in accordance with its Articles of Incorporation, the elections of independent directors and non-independent directors shall be conducted at the same time and counted separately. The independent director election shall be carried out in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and related laws and regulations.
- Article 3: Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures specified in Article 192-1 of the Company Act. To conduct reviews of the candidates' qualifications, education, working experience, background, and the existence of any matters set forth in Article 30 of the Company Act, other certification documents for qualification requirements shall not be added arbitrarily, and the review results shall be provided to the shareholders for reference, in order to elect suitable directors.
- Article 4: Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.
- Article 5: Ballots shall be prepared by the board of directors and shall be coded according to the serial numbers of the attendance cards, plus the number of voting rights.
- Article 6: If the candidate is a shareholder, the voter must fill in the name in the "Candidate" column of the ballot with the candidate's shareholder account name and number noted. If the candidate is not a shareholder, the name and the ID card number or passport number of the candidate should be filled in the said column of the ballot. However, when the government or corporate shareholder is a candidate, the title of the government or corporate should be filled in the "Candidate" column of the ballot with the name of its representative stated. If there is more than one representative appointed, they can be selected separately.
- Article 7: A ballot shall be deemed invalid under any of the following circumstances.
- I. The ballot is not prepared in accordance with the provisions of the "Regulations."
 - II. A blank ballot is placed in the ballot box.
 - III. The writing is unclear and indecipherable or has been altered.
 - IV. The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number does not conform to the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identity card number provided.
 - V. Other words or marks are entered in addition to the name (title) of the candidate and the shareholder number (or ID card number).
 - VI. The name (title) or the shareholder number (or ID card number) of the candidate is not filled.
 - VII. Two or more candidates are indicated on the same ballot.
- Article 8: The voting rights shall be calculated on-site immediately after the end of the poll; and the results of the calculation shall be announced by the chair on the site.
- Article 9: The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 10: These Regulations and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Attachment XI

TEX-RAY INDUSTRIAL CO., LTD.

- Chapter I General Provision
- Article 1 : The Company is duly incorporated in accordance with the Company Act and bears the name of 南緯實業股份有限公司
The Company's English name is TEX-RAY INDUSTRIAL CO., LTD.
- Article 2 : The Company is engaged in the following business:
I. C301010 Spinning of Yarn
II. C302010 Weaving of Textiles
III. C303010 Manufacture of Non-woven Fabrics
IV. C305010 Printing, Dyeing, and Finishing
V. C306010 Wearing Apparel
VI. C307010 Clothing Accessories
VII. CJ01010 Hat Manufacturing
VIII. F102040 Wholesale of Nonalcoholic Beverages
IX. F102050 Wholesale of Tea Leaves
X. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
XI. F113010 Wholesale of machinery
XII. F301010 Department Stores
XIII. I501010 Product Designing
XIV. I502010 Clothing Designing
XV. IG02010 Research and Development Service
- Article 2-1 : The Company may make direct investment at the resolution of the Board in excess of 40% of the paid-in capital of the Company, and may act as guarantor in favor of industry peers.
- Article 3 : The Company is established in Taipei, and may establish branches at home and abroad where necessary at the resolution of the Board.
- Article 4 : The Company shall make announcement by advertising on an eye-catching page of local newspapers and sending notice.
- Chapter II Shares of Stock
- Article 5 : The Company has authorized capital of NT\$3,000,000,000 evenly split into 300,000,000 shares at NT\$10/share. The Board is authorize to offer the shares in tranches where necessary. The Company shall reserve NT\$100,000,000 out of the aforementioned authorized capital for the issuance of Employee Stock Options (ESO) in 10,000,000 shares at NT\$10/share. The Board is authorized to offer the ESO in tranches.
- Article 6 : The Company issues registered shares and each share certificate shall be affixed with the names or seals of at least 3 Directors with the assignment of serial number subject to the certification of the competent authority or an approved share registration agent before release. The Company may not print physical share certificate but register with the central depository of securities.
- Article 7 : Shareholders shall present the impression card of their specimen seals to the Company for record. The same procedure is applicable to any amendment thereto. All shareholders shall use the specimen seal identical with the sample on the impression card for claiming dividend or exercising any other rights.
- Article 8 : The administration of shareholder service and share registration of the Company shall be governed by the "Directions for the Administration of Investor Service by Public Companies" of the competent authority and other applicable legal rules.
- Article 9 : Registration of share transfer is prohibited in the period of 60 days prior to the scheduled date of a regular session of the Shareholders Meeting, a period of 30 days prior to the scheduled date of a special session of the Shareholders Meeting, or a period of 5 days prior to the ex-dividend day or any other day of other interest.
- Chapter III Shareholders Meeting
- Article 10 : The Shareholders Meeting may convene in regular session or special session.
I. The Shareholders Meeting shall convene in regular session once a year within 6 months after the end of the fiscal year, and shall be called by the Board.
II. The Shareholders Meeting may convene in special session at any time where necessary and to be called in accordance with applicable legal rules.
- Article 11 : The Company shall notify the shareholders of a regular session of the Shareholders Meeting 30 days in advance, and of a special session 15 days in advance. The content of the notice shall include the date and place of the convention and the cause of the convention. The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 12 : Resolutions of the Shareholders Meeting shall be made by a session of the Shareholders

- Meeting with the presence of shareholders representing more than half of the outstanding shares issued by the Company and a simple majority of the votes being represented by the shareholders in session unless the Company Act provides otherwise.
- Article 13 : Shareholders are entitled to one vote for the holding of each share except for restricted shares units or shares bearing no voting right as prescribed in Article 179 of the Company Act.
- Article 14 : If specific shareholder cannot attend the Shareholders Meeting in person, this shareholder may appoint a proxy to attend with the use of the power of attorney prepared by the Company and specify the scope of authorization therein. The attendance by proxy to Shareholders Meeting shall be governed by Article 177 of the Company Act and also the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority.
- Article 15 : If the Shareholders Meeting convenes to the call of the Board, the Chairman shall act as the Presiding Officer. In the absence of the Chairman due to leave taking or for other reasons, the Vice Chairman shall act as the proxy for the Chairman. If there is no Vice Chairman or the Vice Chairman is also absent due to leave taking or for other reasons, the Chairman shall appoint one Director as the proxy. If not, the Directors shall nominate one among themselves to act as the Presiding Officer for the meeting.
- Article 16 : Matters relating to the resolutions by a shareholders’ meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.
The production and release of the minute of meeting on record as mentioned may be made by announcement.
The minute of meeting on record shall be kept within the perpetuity of the Company. The sign-in registry of the shareholders and the sign-in cards, and the power of attorney submitted by the proxies for attending the Shareholders Meeting shall be kept for at least one year. In the event of lawsuit instated by shareholders pursuant tot Article 189 of the Company Act, the aforementioned documents shall be kept until the final ruling of the legal proceedings.
- Chapter IV Directors and Supervisors
- Article 17 : The Company shall have 9~11 directors, including at least three independent directors who shall be no less than one-fifty of the whole directors. The term of office is three years.
The Company shall adopt the candidate nomination system for the election of Directors. The candidates shall be elected by the Shareholders Meeting from the list of candidates nominated for the election.
The professional qualification requirement, restriction of shareholding and holding concurrent position, the determination of the status of independence, the method of nomination and election to office and other matters of compliance shall be governed by applicable legal rules.
The Board of the Company shall establish and Audit Committee staffed with Independent Directors as members. The committee shall consist of at least 3 members of whom one shall act as the convenor. At least one member shall be expertise in accounting or finance. The function of the Audit Committee and other matters of compliance shall be governed by applicable legal rules or the Articles of Incorporation of the Company.
- Article 18 : The proportion of all shares held by the Directors shall be governed by related rules and regulations of the competent authority of securities.
- Article 19 : If 1/3 of the seats of Directors were left vacant or Independent Director is relieved from office, the Board shall call for a special session of the Shareholders Meeting for holding an election of Directors to fill the vacancies. The Director Elects to fill the vacancies shall have tenure covering the remainder of the term left behind by the predecessors. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 20 : The Chairman a Vice Chairman shall be appointed by the Board in a session attended by at least 2/3 of the Directors and a simple majority of the Directors in session. The Chairman represents the Company externally. In the absence of the Chairman due to leave taking or for other reasons, the Vice Chairman shall act as the proxy for the Chairman. In the absence of the Vice Chairman due to leave taking or for other reasons, the Chairman shall appoint one Directors to act as the proxy. If not, the Directors shall nominate one among themselves to act as the proxy for the Chairman.
- Article 21 : The Directors are organized into the Board of Directors (the Board) for the final approval of all business policies and important matters. The Board shall establish different functional committees under its direct supervision.
- Article 22 : The presence of at least half of the number of Directors will be necessary to qualify for the quorum of the Board in session and all resolutions shall be made by a simple majority of the votes cast by the Directors in session. If specific Director cannot attend a session of the Board in

person, this Director may appoint another Director as the proxy to attend the session. But one Director may act as the proxy of only one other Director. If the Board convenes via videoconferencing, Directors who participate in the videoconference shall be deemed attending the session in person. The parliamentary procedure of the Board shall be governed by the "Rules of Procedure for the Board" of the Company.

Article 23 : The Board shall convene at least once quarterly. The caution of the convention shall be specified and the meeting notice shall be delivered to the Directors 7 days in advance. The Board may call for special session at any time in the event of an emergency. Meeting notice of the Board may be made by correspondence, fax, or E-mail.

Article 24 : The function to be performed by Supervisors under the Company Act, Securities and Exchange Act, and other applicable laws shall be taken over by the Audit Committee except the part as stated in Paragraph 4 of Article 14-4 under the Securities and Exchange Act. The rules related to the act of the Supervisors or acting as representatives of the Company under the Company Act as stated in Paragraph 4 of Article 14-4 under the Securities and Exchange Act shall be applicable to the members of the Audit Committee who are Independent Directors with necessary changes made.

Article 25 : The Directors (including Independent Directors) shall be remunerated by the Company for performing the assigned duties of the Company notwithstanding of the profit status of the Company. The remuneration to the Directors shall be determined by the Board under authorization and in commensurate with the level of participation in the operation of the Company and the contribution value within the upper limit of salaries as stated in the Regulations Governing the Administration of Salaries of the Company. If the Company has account surplus, dividend shall be paid pursuant to Article 31.

The Company shall take professional liability insurance for the protection of the Directors.
Chapter V Managers

Article 26 : The Company shall establish the positions of managers and the appointment, dismissal and remuneration of whom shall be governed by the Company Act.

Article 27 : The Company may employ consultants or key personnel at the resolution of the Board.

Article 28 : The President shall appoint or dismiss all other employees and report to the Board for record.

Chapter VI Accounting

Article 29 : The fiscal year of the Company starts on January 1 and end of December 31 of each calendar year.

Article 30 : The Board of the Company shall prepare the following statements and reports at the end of the fiscal year (I) Business Report (II) Financial statements. (III) The proposal for the distribution of earnings or appropriation for covering carryforward loss, and present to the Shareholders Meeting in regular session for ratification 30 days prior to the scheduled date of the regular session.

The distribution of the aforementioned statements and reports may be made by announcement.

Article 31 : The Company shall appropriate 2% as remuneration to the employees from its earnings, where applicable, which shall be determined by the Board for paying in cash or stock. Employees of the subsidiaries meeting specific condition are also entitled to the remuneration. The Company may also appropriate no more than 2% of the aforementioned amount of earnings as remuneration to the Directors at the resolution of the Board. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. However, the Company shall reserve for covering carryforward loss, where applicable, followed by the appropriation of remuneration to the employees and the Directors in the aforementioned ratios.

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.

Chapter VII Miscellaneous

Article 32 : The organization code and enforcement rules shall be instituted separately.

Article 33 : Anything not mentioned in the Articles of Incorporation shall be governed by the Company Act

and other applicable legal rules.

Article 34 : The Articles of Incorporation was duly instituted on August 4, 1978 The 1st amendment was made on April 1, 1979. The 2nd amendment was made on June 15, 1982. The 3rd amendment was made on April 15, 1984. The 4th amendment was made on November 11, 1989. The 5th amendment was made on April 21, 1990. The 6th amendment was made on June 23,1993. The 7th amendment was made on September 15, 1995. The 8th amendment was made on September 14 1996. The 9th amendment was made on June 21, 1997. The 10th amendment was made on November 3, 1997. The 11th amendment was made on April 30, 1998. The 12th amendment was made on May 21, 1999. The 13th amendment was made on June 2, 2000. The 14th amendment was made on June 26, 2001. The 15th amendment was made on June 26, 2002. The 16th amendment was made on June 10, 2003. The 17th amendment was made on April 27,2004. The 18th amendment was made on June 14,2005. The 19th amendment was made on June 9, 2006. The 20th amendment was made on June 13, 2008. The 21st amendment was made on June 18, 2010 The 22nd amendment was made on June 5, 2012. The 23rd amendment was made on June 27, 2014. The 24th amendment was made on June 21, 2016. The 25th amendment was made on June 16, 2020. The 26th amendment was made on June 15, 2022. The 27th amendment was made on June 9, 2023.

TEX-RAY INDUSTRIAL CO., LTD.
Chairman: Lin Zui Yeh

TEX-RAY INDUSTRIAL CO., LTD.
Quantity of shares held by the Directors

April 16, 2024

Job title	Name	Date of assuming office	Term of office	Shareholding while elected	Number of shares currently held
Chairman	Ray Lin	July 12, 2021	3 years	6,120,000	6,120,000
Vice Chairman	Yao Wan-Kuei	July 12, 2021	3 years	3,830,239	3,830,239
Directors	Representatives of Yue Ta Textile Holding (BVI) Limited: Chang Nai-Wen, Tai Chun	July 12, 2021	3 years	42,052,440	42,052,440
Director	Kuo Wen-Yen	July 12, 2021	3 years	0	0
Director	He Yu	July 12, 2021	3 years	80,912	73,912
Director	Representative of CIAN Co., Ltd.: Liang Chia-Yin	July 12, 2021	2 years	23,362,466	23,362,466
Independent Director	Tsai Chao-Lun	July 12, 2021	3 years	0	0
Independent Director	Li Mu-Jung	July 12, 2021	3 years	409	409
Independent Director	Chu Hsing-Hua	July 12, 2021	3 years	0	0
Independent Director	Lin Cheng Teh	June 9, 2023	1 year	0	0
Total				75,446,466	75,439,466

Note 1: The minimum number of shares to be held by all the directors of the Company shall be 12,000,000 shares. Until the book closure date of a shareholders' meeting (April 16, 2024), all directors have held 77,448,866 shares in total.

Note 2: The Company has established the Audit Committee; therefore, the minimum shareholding requirement for the supervisors shall not apply.