

**TEX-RAY INDUSTRIAL CO., LTD.
AND SUBSIDIARIES**

**Consolidated Financial Report and
Independent Auditor's Audit Report**

Q1 2025 and Q1 2024

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Independent Auditor's Audit Report

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

Foreword

We have reviewed the consolidated balance sheets of TEX-RAY INDUSTRIAL CO., LTD. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies). The preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard No. 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, are the responsibility of the management. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope

We conducted our review in accordance with Statement on Auditing Standards No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the consolidated financial statements consists primarily of inquiries, primarily of personnel responsible for financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TEX-RAY INDUSTRIAL CO., LTD. and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting", as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG in Taiwan

Name of CPAs:

Certification approval
number of the securities
regulator

Jin-Guan-Zheng-Shen-Zi No.
: 1130332775
Jin-Guan-Zheng-Shen-Zi No.
1100333824

May 13, 2025

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheet

March 31, 2025, December 31, 2024, and March 31, 2024

Unit: NTD Thousand

Assets		2025.3.31		2024.12.31		2024.3.31		Liabilities and Equity		2025.3.31		2024.12.31		2024.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(1))	\$ 2,363,069	27	2,240,133	26	2,159,261	26	2100	Short-term borrowings (Note 6(9))	\$ 1,520,794	17	1,466,911	17	1,437,531	17
1150	Notes receivable, net (Notes 6(3) and (18))	6,659	-	4,257	-	7,812	-	2110	Short-term notes payable (Note 6(10))	788,963	9	788,998	9	709,058	8
1170	Accounts receivable, net (Notes 6(3) and (18))	788,839	9	936,938	11	829,906	10	2130	Current contract liabilities (Notes 6(18) and 7)	76,566	1	105,907	1	69,242	1
1200	Other receivables	101,552	1	106,719	1	148,687	2	2150	Notes payable	1,843	-	1,990	-	2,190	-
1220	Current tax assets	9,593	-	8,689	-	2,593	-	2170	Accounts payable	492,390	6	459,005	5	430,553	4
1310	Inventories, manufacturing business (Note 6(4))	1,007,908	11	921,437	11	776,101	9	2200	Other receivables (Note 7)	271,267	3	323,907	4	237,105	3
1410	Prepayments	130,233	2	114,751	1	164,306	2	2220	Other payables - related party (Note 7)	95,719	1	85,434	1	75,224	1
1470	Other current assets	6,463	-	6,563	-	10,025	-	2230	Current tax liabilities	44,328	1	31,477	-	63,887	1
1476	Other current financial assets (Note 8)	335,082	4	306,137	4	296,593	4	2280	Current lease liabilities (Note 6(12))	57,919	1	50,890	1	51,865	1
		<u>4,749,398</u>	<u>54</u>	<u>4,645,624</u>	<u>54</u>	<u>4,395,284</u>	<u>53</u>	2320	Long-term liabilities, current portion (Note 6(11))	170,882	2	159,366	2	121,751	1
								2300	Other current liabilities	24,848	-	8,811	-	20,089	-
										<u>3,545,519</u>	<u>41</u>	<u>3,482,696</u>	<u>40</u>	<u>3,218,495</u>	<u>37</u>
Non-current assets:								Non-current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(2))	41,044	-	41,044	-	61,108	1	2540	Long-term borrowings (Note 6(11))	1,959,397	22	1,969,195	23	1,930,826	23
1600	Property, plant and equipment (Notes 6(5) and 8)	1,915,475	22	1,896,267	22	1,899,806	22	2570	Deferred tax liabilities	183,350	2	182,180	2	181,218	2
1755	Right-of-use assets (Notes 6(6) and 8)	192,517	2	196,076	2	232,017	3	2580	Non-current lease liabilities (Note 6(12))	91,460	1	102,348	1	135,691	2
1760	Investment property, net (Notes 6(7) and 8)	1,506,084	17	1,493,161	17	1,555,473	18	2640	Net defined benefit liability, non-current (Note 6(14))	256	-	256	-	6,517	-
1780	Intangible assets (Note 6(8))	265,317	3	264,660	3	246,605	3	2670	Other non-current liabilities, others	7,640	-	7,634	-	6,189	-
1840	Deferred tax assets	17,043	-	20,543	-	27,527	-			<u>2,242,103</u>	<u>25</u>	<u>2,261,613</u>	<u>26</u>	<u>2,260,441</u>	<u>27</u>
1960	Non-current prepayments for investments	3,700	-	-	-	-	-		Total liabilities	<u>5,787,622</u>	<u>66</u>	<u>5,744,309</u>	<u>66</u>	<u>5,478,936</u>	<u>64</u>
1980	Other non-current financial assets (Note 8)	138,055	2	135,331	2	37,299	-	Equity attributable to owners of the parent (Note 6(16)):							
1990	Other non-current assets, others	35,735	-	47,733	-	11,388	-	3110	Ordinary share	2,336,247	26	2,336,247	27	2,336,247	28
		<u>4,114,970</u>	<u>46</u>	<u>4,094,815</u>	<u>46</u>	<u>4,071,223</u>	<u>47</u>	3200	Capital surplus	254,520	3	254,520	3	254,267	3
								3300	Retained earnings	209,881	2	205,137	2	122,192	1
								3400	Other equity	171,398	2	94,353	1	136,430	2
									Equity attributable to owners of the parent	<u>2,972,046</u>	<u>33</u>	<u>2,890,257</u>	<u>33</u>	<u>2,849,136</u>	<u>34</u>
								36XX	Non-controlling equity	104,700	1	105,873	1	138,435	2
									Total equity	<u>3,076,746</u>	<u>34</u>	<u>2,996,130</u>	<u>34</u>	<u>2,987,571</u>	<u>36</u>
Total assets		<u>\$ 8,864,368</u>	<u>100</u>	<u>8,740,439</u>	<u>100</u>	<u>8,466,507</u>	<u>100</u>	Total Liabilities and Equity		<u>\$ 8,864,368</u>	<u>100</u>	<u>8,740,439</u>	<u>100</u>	<u>8,466,507</u>	<u>100</u>

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Ray Lin

Manager: Lin Tsung-Yi

Accounting Supervisor: Wu Chien-Chung

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Income Statement

From January 1 to March 31, 2025 and 2024

Unit: NTD Thousand

	From January to March 2025		From January to March 2024	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(18))	\$ 1,243,199	100	1,237,975	100
5000 Operating costs (Notes 6(4) and (14))	1,017,088	82	1,000,007	81
5900 Gross profit	<u>226,111</u>	18	<u>237,968</u>	19
6000 Operating expenses (Notes (12), (14) and (19)):				
6100 Selling expenses	94,919	8	80,807	6
6200 Administrative expenses	111,516	9	111,274	9
6300 Commissions expense	21,334	2	19,248	1
6450 Reversal of expected credit losses (Note 6(3))	(6,913)	(1)	(4,117)	-
	<u>220,856</u>	18	<u>207,212</u>	16
6900 Operating profit	<u>5,255</u>	-	<u>30,756</u>	3
7000 Non-operating income and expense (Note 6(20)):				
7010 Other income	2,889	-	3,006	-
7020 Other gains and losses	27,921	2	49,760	4
7100 Interest income	23,529	2	19,534	2
7510 Interest expense (Notes 6(12) and 7)	(31,912)	(2)	(31,159)	(3)
	<u>22,427</u>	2	<u>41,141</u>	3
7900 Net profit before tax	27,682	2	71,897	6
7950 Less: Income tax expense (Note 6(15))	22,975	2	42,269	3
Net income	<u>4,707</u>	-	<u>29,628</u>	3
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income, parent	-	-	(9,245)	(1)
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>(9,245)</u>	<u>(1)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	75,909	6	64,630	5
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income that will be reclassified to profit or loss	<u>75,909</u>	<u>6</u>	<u>64,630</u>	<u>5</u>
8300 Current other comprehensive income	<u>75,909</u>	<u>6</u>	<u>55,385</u>	<u>4</u>
8500 Current total comprehensive income	<u>\$ 80,616</u>	<u>6</u>	<u>\$ 85,013</u>	<u>7</u>
8600 Current profit attributable to:				
8610 Owners of parent	\$ 4,744	-	27,871	3
8620 Non-controlling equity	(37)	-	1,757	-
	<u>\$ 4,707</u>	<u>-</u>	<u>\$ 29,628</u>	<u>3</u>
8700 Total comprehensive income attributable to owners of parent	<u>\$ 81,789</u>	<u>6</u>	<u>\$ 84,623</u>	<u>7</u>
8710 Owners of parent	81,789	6	84,623	7
8720 Non-controlling equity	(1,173)	-	390	-
	<u>\$ 80,616</u>	<u>6</u>	<u>\$ 85,013</u>	<u>7</u>
Earnings per share (Note 6(17))				
9750 Basic EPS (NT\$)	<u>\$ 0.02</u>		<u>0.12</u>	
9850 Diluted earnings per share (NT\$)	<u>\$ 0.02</u>		<u>0.12</u>	

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Ray Lin Manager: Lin Tsung-Yi Accounting Supervisor: Wu Chien-Chung

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

From January 1 to March 31, 2025 and 2024

Unit: NTD Thousand

	Equity attributable to owners of the parent					Other equity interest		Revaluation surplus	Equity attributable to owners of the parent	Non-controlling equity	Total equity
	Retained earnings					Exchange differences on translation	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
	Ordinary share	Capital surplus	Legal reserve	Undistributed earnings	Total						
Balance on January 1, 2024	\$ 2,336,247	254,267	177,178	(82,857)	94,321	(900,059)	(109,888)	1,089,625	2,764,513	138,045	2,902,558
Net income	-	-	-	27,871	27,871	-	-	-	27,871	1,757	29,628
Current other comprehensive income	-	-	-	-	-	65,087	(8,335)	-	56,752	(1,367)	55,385
Current total comprehensive income	-	-	-	27,871	27,871	65,087	(8,335)	-	84,623	390	85,013
Balance on March 31, 2024	\$ 2,336,247	254,267	177,178	(54,986)	122,192	(834,972)	(118,223)	1,089,625	2,849,136	138,435	2,987,571
Balance on January 1, 2025	\$ 2,336,247	254,520	177,178	27,959	205,137	(856,493)	(138,779)	1,089,625	2,890,257	105,873	2,996,130
Net income	-	-	-	4,744	4,744	-	-	-	4,744	(37)	4,707
Current other comprehensive income	-	-	-	-	-	77,045	-	-	77,045	(1,136)	75,909
Current total comprehensive income	-	-	-	4,744	4,744	77,045	-	-	81,789	(1,173)	80,616
Balance on March 31, 2025	\$ 2,336,247	254,520	177,178	32,703	209,881	(779,448)	(138,779)	1,089,625	2,972,046	104,700	3,076,746

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Ray Lin

Manager: Lin Tsung-Yi

Accounting Supervisor: Wu Chien-Chung

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Cash Flow Statement

From January 1 to March 31, 2025 and 2024

Unit: NTD Thousand

	From January to March 2025	From January to March 2024
Cash flows from (used in) operating activities:		
Net income before tax of the period	\$ 27,682	71,897
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	54,323	52,656
Amortization expense	2,667	2,446
Reversal of expected credit losses	(6,913)	(4,117)
Interest expense	31,912	31,159
Interest income	(23,529)	(19,534)
Loss (gain) on disposal of property, plant and equipment	82	(2)
Total adjustments to reconcile profit (loss)	58,542	62,608
Changes in operating assets and liabilities		
Changes in operating assets:		
Decrease (increase) in notes receivable	(2,443)	14,960
Decrease (increase) in accounts receivable	151,645	(164,709)
Decrease (increase) in other receivables	4,443	(12,534)
Decrease (increase) in inventory	(90,114)	139,210
Increase in prepayments	(14,857)	(31,904)
Decrease (increase) in other current assets	68	(3,609)
Total changes in operating assets	48,742	(58,586)
Changes in operating liabilities:		
Decrease in contract liabilities	(29,214)	(25,994)
Decrease in notes payable	(147)	(5,072)
Increase (decrease) in accounts payable	35,256	(11,806)
Decrease in other payables	(55,848)	(34,630)
Increase in other payable to related parties	10,359	591
Increase (decrease) in other current liabilities	16,185	(3,662)
Decrease in net defined benefit liability	-	(237)
Increase in other liabilities	71	9,673
Total changes in operating liabilities	(23,338)	(71,137)
Total changes in operating assets and liabilities	25,404	(129,723)
Total adjustments	83,946	(67,115)
Cash inflow generated from operations	111,628	4,782
Interest received	23,529	19,534
Interest paid	(30,558)	(30,956)
Income tax paid	(3,253)	(6,730)
Net cash inflow (outflow) from operating activities	101,346	(13,370)

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

From January 1 to March 31, 2025 and 2024

Unit: NTD thousand

	From January to March 2025	From January to March 2024
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(13,280)
Acquisition of property, plant and equipment	(10,766)	(24,893)
Proceeds from disposal of property, plant and equipment	73	735
Acquisition of intangible assets	-	(647)
Increase in other financial assets	(31,928)	(71,255)
Increase in other non-current assets	(20,281)	(977)
Increase in prepayments for investments	(3,700)	-
Net cash outflow used in investing activities	(66,602)	(110,317)
Cash flows from (used in) financing activities:		
Increase in short-term loans	768,060	530,165
Decrease in short-term loans	(714,177)	(337,710)
Increase in short-term notes payable	789,965	709,776
Decrease in short-term notes payable	(790,000)	(710,000)
Proceeds from long-term debt	35,000	-
Repayments of long-term debt	(34,096)	(29,390)
Payments of lease liabilities	(13,826)	(12,932)
Net cash inflow from financing activities	40,926	149,909
Effect of exchange rate changes on cash and cash equivalents	47,266	30,351
Increase (decrease) in current cash and cash equivalents	122,936	56,573
Cash and cash equivalents at beginning of period	2,240,133	2,102,688
Cash and cash equivalents at end of period	\$ 2,363,069	2,159,261

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Ray Lin Manager: Lin Tsung-Yi Accounting Supervisor: Wu Chien-Chung

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Report

Q1 2025 and Q1 2024

(Unless otherwise specified, all amounts are in NTD thousand)

I. Company History

TEX-RAY INDUSTRIAL CO., LTD. (hereinafter referred to as the "Company") was founded with the approval by the Ministry of Economic Affairs in August 1978, and was officially listed on the TWSE in 1998. Its registered address is at 2F, No. 426, Linsen N. Rd., Zhongshan Dist., Taipei. TEX-RAY was formerly a modern dyeing and finishing factory. After that, it has successively established the Fancy Yarn Business Division, Woven Fabric Business Division and Garment Business Division. Meanwhile, in order to strengthen the Company's international competitiveness and expand overseas production areas, the Company continues to establish the global multi-point production and sales supply chain in Eswatini, Vietnam and China, and also arrange its layout in the USA and Africa. Further, in order to strengthen the management and division of labor, the Company spun off, or established investees for, the business of specific technologies and special markets, in order to improve the Group's economic synergy.

The main business of the Company and its subsidiaries (hereinafter referred to as the "consolidated company") is the weaving, manufacturing, processing, dyeing and finishing, and trading of cotton, cloth, various fibers and textiles, as well as cotton yarn purchasing, export, garment processing and trading, ultrasonic cleaning and supercritical cleaning, and extraction.

II. Approval Date and Procedures of the Financial Report

This consolidated financial report was approved and released by the board of directors on May 13, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and amended standards and interpretations recognized by the Financial Supervisory Commission

The consolidated company applied the revised IFRS accounting standards starting January 1, 2025, and there has been no significant impact on the consolidated financial report.

·Amendment to International Accounting Standard 21: Lack of convertibility.

(II) The impact of not adopting IFRS accounting standards recognized by the Financial Supervisory Commission

The consolidated company applied the revised IFRS accounting standards starting January 1, 2026, and there has been no significant impact on the consolidated financial report.

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

·Amendments to International Financial Reporting Standard 9 and International Financial Reporting Standard 7: Amendments to the classification and measurement of financial instruments, including application guidance under Section 4.1 of IFRS 9 and the related disclosure requirements under IFRS 7.

(III) Application of new and amended standards and interpretations but not yet recognized by the Financial Supervisory Commission

New and amended standards and interpretations already released but not yet recognized by the Financial Supervisory Commission

New and Amended Standards

Main Amended Contents

Effective Date

International Financial Reporting Standard 18: Presentation and disclosure of financial statements.

The new standard introduced three types of profits and losses, two subtotals in the income statement, and a single note on management performance measurement. These three amendments and enhancements provide guidance on how to segment information in financial statements, laying the foundation for users to provide better and more consistent information, and will affect all companies.

January 1, 2027

·A more structured income statement: According to current standards, companies use different formats to express their operating results, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses will be classified into three new categories based on the company's main operating activities.

·Management Performance Measurement (MPMs): The new standards introduce the definition of management performance measurement and requires companies to explain in a single note to their financial statements why each measurement indicator provides useful information, how it is calculated, and how it is adjusted to the amounts recognized under

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

International Financial Reporting Standards accounting standards.

- More detailed information: The new standards include guidance on how companies can strengthen the grouping of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further subdivided in the notes.

The consolidated company is currently continuously evaluating the impact of the above standards and interpretations on its financial condition and operating results, and the relevant impacts will be disclosed upon completion of the evaluation.

The consolidated company expects that the following new and amended standards, which have not yet been recognized, will not have a significant impact on the consolidated financial report.

- Amendments to International Financial Reporting Standard 10 and International Accounting Standard 28: Sale or investment of assets between investors and their affiliates or joint ventures.
- Amendments to International Accounting Standard 17: Insurance contracts and to International Financial Reporting Standard 17.
- International Financial Reporting Standard 19: Disclosures of Non-public accountability subsidiaries.
- Amendments to International Financial Reporting Standards (IFRS) 9 and 7: Amendments to the classification and measurement of financial instruments, including application guidance under Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements under IFRS 7.
- Annual Improvements to IFRS Accounting Standards
- Amendments to International Financial Reporting Standard 9 and International Financial Reporting Standard 7: "Nature-dependent electricity contracts.

IV. Summary of Significant Accounting Policies

(I) Compliance statement

This consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations") and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC). This consolidated financial report does not contain all the disclosures required for a full set of annual consolidated financial statements prepared in accordance with the

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Announcements as endorsed and issued by the FSC (hereinafter referred to as “IFRSs endorsed by the FSC”).

Except as otherwise stated below, the significant accounting policies adopted in this consolidated financial report are consistent with those used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4 of the 2024 annual consolidated financial statements for relevant details.

(II) Consolidation basis

1. Subsidiaries included in the consolidated financial report

The subsidiaries included in the consolidated financial report include:

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.3.31	2024.12.31	2024.3.31	
The Company	TEX-RAY INDUSTRIAL CO., LTD. (BELIZE) (TEX-RAY (BELIZE))	Overseas investment (mainland production area) holding company	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	TEX-RAY (BN) INTERNATIONAL CO., LTD. (TEX-RAY (BN))	Overseas investment (Vietnam and Cambodia production area) holding company	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	King's Metal Fiber Technologies Co. Ltd. (King's)	Secondary processing of non-woven fabrics and steel and retail of cloths and fabrics	59.22%	59.22%	59.22%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	Great CPT International Co., Ltd. (Great CPT International)	Overseas investment (Eswatini production area) holding company	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	TEX-RAY (SA) (PTY) Ltd.(TEX-RAY (SA))	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	TEX-RAY INDUSTRIAL CO., LTD. (CAYMAN) (TEX-RAY(CAYMAN))	Overseas investment holding company	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	ZHENG-RAY INDUSTRIAL CO., LTD. (ZHENG-RAY INDUSTRIAL)	Buying, selling, and manufacturing of fabrics and clothing	- %	- %	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares (Note 1)
The Company	Taiwan Supercritical Technology Co., Ltd. (Taiwan Supercritical)	Ultrasonic cleaning and supercritical cleaning and extraction	75.63%	75.63%	- %	Subsidiaries in which the Company directly holds more than 50% of the shares (Note 1)
The Company	HERBRAY BIOTECH LTD. (HERBRAY BIOTECH)	Biotech services	60.00%	60.00%	- %	Subsidiaries in which the Company directly holds more than 50% of the shares (Note 1)
The Company	WILEYTEX Technology Co., Ltd. (WILEYTEX)	Wholesale of cloths and fabrics	53.60%	53.60%	53.60%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	AIQ SMART CLOTHING INC. (AIQ SMART)	Wholesale of fabrics	70.44%	70.44%	70.44%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	TRLA GROUP, INC. (TRLA GROUP)	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	Z-PLY CORPORATION (Z-PLY)	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which the

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.3.31	2024.12.31	2024.3.31	
	(NY))					Company directly holds more than 50% of the shares
The Company	FABRICFOUNDRY TEXTILE (PTY) LTD. (FABRICFOUNDRY)	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
Zheng-ray Industrial Co., Ltd.	Taiwan Supercritical Technology Co., Ltd.	Ultrasonic cleaning and supercritical cleaning and extraction	- %	- %	75.63%	Subsidiaries in which ZHENG-RAY INDUSTRIAL directly holds more than 50% of the shares (note 1)
Zheng-ray Industrial Co., Ltd.	HERBRAY BIOTECH LTD.	Biotech services	- %	- %	60.00%	Subsidiaries in which ZHENG-RAY INDUSTRIAL directly holds more than 50% of the shares (note 1)
TEX-RAY (SA)	KASUMI APPARELS SWAZILAND PTY LTD.(KASUMI (SWAZILAND))	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA)directly holds more than 50% of the shares
TEX-RAY (SA)	TQM TEXTILE SWAZILAND (PTY) LTD.(T.Q.M.(SWAZILAND))	Weaving and dyeing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA)directly holds more than 50% of the shares
TEX-RAY (SA)	UNION INDUSTRIAL WASHING PTY LTD.(U.I.W.(SWAZILAND))	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA)directly holds more than 50% of the shares
TEX-RAY (SA)	J.M. Rotary Print Industrial Co., Ltd. (J.M. (SWAZILAND))	Textile printing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA)directly holds more than 50% of the shares
TEX-RAY (SA)	GOLDEN JUBILEE APPAREL (PTY) LTD.(GOLDEN (SWAZILAND))	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA)directly holds more than 50% of the shares
TEX-RAY (SA)	TEX-RAY HOLDINGS(PTY) LTD.(TEX-RAY HOLDINGS)	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (SA) directly holds more than 50% of the shares
TEX-RAY (BELIZE)	Tex-ray (Shanghai) Industrial Co., Ltd. (Tex-ray (Shanghai))	Warehousing and trading of textiles	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (BELIZE) directly holds more than 50% of the shares
GREAT CPT INTERNATIONAL CO., LTD.	TQM TEXTILE SWAZILAND (PTY) LTD. (TEXRAY (SWAZILAND))	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which Great CPT International directly holds more than 50% of the shares
TEX-RAY (BN)	GOOD TIME(VIETNAM) ENTERPRISE CO.,LTD. (GOOD TIME)	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (BN) directly holds more than 50% of the shares
TEX-RAY (BN)	MSWATI HOLDINGS LTD.(MSWATI)	Overseas investment holding company	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (BN) directly holds more than 50% of the shares
TEX-RAY (BN)	TEXRAY (VN) CO., LTD. (TEXRAY(VN))	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (BN)directly holds more than 50% of the shares
TEX-RAY (BN)	T.R.C.A GARMENT CO., LTD.(TRCA GARMENT)	Garment processing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (BN)directly holds more than 50% of the shares
TEX-RAY (CAYMAN)	TEXRAY MEXICO S.A. DE C.V.(TEXRAY (MEXICO))	Dyeing & finishing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (CAYMAN)

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.3.31	2024.12.31	2024.3.31	
King's Metal	KING'S METAL FIBER TECHNOLOGIES B.V. (KING'S METAL)	Marketing and trading	100.00%	100.00%	100.00%	directly holds more than 50% of the shares Subsidiaries in which KING'S METAL directly holds more than 50% of the shares
Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-ray (Yencheng) Industrial Co., Ltd. (Tex-ray (Yencheng))	Manufacturing and sale of textiles, clothing, shoes, and hats	100.00%	100.00%	100.00%	Subsidiaries in which Tex-ray (Shanghai) directly holds more than 50% of the shares
Tex-ray (Shanghai) Industrial Co., Ltd.	Kunshan Dongyi Laminated Fabric Technology Co., Ltd. (Kunshan Dongyi)	Development of laminated fabrics	100.00%	100.00%	100.00%	Subsidiaries in which Tex-ray (Shanghai) directly holds more than 50% of the shares
AIQ SMART CLOTHING INC.	AIQ SYNERTIAL LTD.(AIQ-S)	Development of smart clothing technologies	50.00%	50.00%	50.00%	Subsidiaries in which AIQ SYNERTIAL directly holds more than 50% of the shares
AIQ SMART CLOTHING INC.	Jingshi (Shanghai) Technology Trading Co., Ltd. (Jingshi (Shanghai))	System R&D, production, and sales of AI equipment	100.00%	100.00%	100.00%	Subsidiaries in which AIQ SYNERTIAL directly holds more than 50% of the shares
AIQ SMART CLOTHING INC.	Zhejiang AIQ Smart Technology Co., Ltd. (Zhejiang AIQ)	System R&D, production, and sales of AI equipment	100.00%	- %	- %	Subsidiaries in which AIQ SYNERTIAL directly holds more than 50% of the shares (Note 2)
Jingshi (Shanghai)	Zhejiang AIQ Smart Technology Co., Ltd.	System R&D, production, and sales of AI equipment	- %	100.00%	100.00%	Subsidiaries in which Jingshi (Shanghai) directly holds more than 50% of the shares (Note 2)
MSWATI	Jiangsu Nanwei Yueda Garments Co., Ltd. (Jiangsu Nanwei)	Knitted garment processing	100.00%	100.00%	100.00%	Subsidiaries in which MSWATI directly holds more than 50% of the shares
MSWATI	Jiangsu Texray Fiber Technology Ltd. (Jiangsu Texray)	Spinning, weaving, high-end fabrics, dyeing, printing, and apparel production	100.00%	100.00%	100.00%	Subsidiaries in which MSWATI directly holds more than 50% of the shares
Jiangsu Texray	Yencheng Weida Textile Testing Service Co., Ltd. (Yencheng Weida)	Testing services and environmental impact assessment	100.00%	100.00%	100.00%	Subsidiaries in which Jiangsu Texray directly holds more than 50% of the shares

Note 1: In order to effectively integrate resources and save operating and management costs, on November 12, 2024 the board of directors of the Company decided to perform a summary merger with ZHENG-RAY INDUSTRIAL CO., LTD., and set November 30, 2024 as the merger reference date. After the merger, the Company was the surviving company, and ZHENG-RAY INDUSTRIAL CO., LTD. was the extinguished company. The relevant legal registration procedures have been completed on January 13, 2025. The Company directly holds equity in Taiwan Supercritical and HERBRAY BIOTECH) since the merger reference date.

Note 2: Due to the adjustment of the organizational structure of the Group, on March 3, 2025, Shanghai Ji-Shi will transfer 100% of the equity of Zhejiang AIQ to AIQ SYNERTIAL.

Note 3. Subsidiaries included in the consolidated financial report: None.

(III) Employee benefits

The interim defined benefit plan pension is calculated based on the actuarial pension cost rate on the last day of the previous financial year, from the beginning of the year to the end of the period, and is adjusted for significant market fluctuations, significant curtailment,

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

settlement, or other significant one-time events after that day.

(IV) Income tax

The consolidated company has the interim income tax expense measured and disclosed in accordance with Paragraph B12 of IAS 34 "Interim Financial Reporting.

The interim income tax expense is measured by multiplying the interim net profit before tax by the best estimate of the effective tax rate for the whole year by the management, and is fully recognized as the current income tax expense.

If the income tax expense is directly recognized in the equity item or other comprehensive income item, it is measured in accordance with the temporary difference between the book value of the relevant assets and liabilities for financial reporting purposes and their tax basis, and the tax rate applicable at the time of expected realization or settlement.

V. Main sources of uncertainty in significant accounting judgments, estimates, and assumptions

When preparing this consolidated financial report in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC), management is required to make judgments and estimates about the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimates.

When the consolidated financial statements are prepared, the key sources of the significant judgments and estimates made by the management when the consolidated company's accounting policies are adopted are consistent with the Note 5 to the consolidated financial statements for 2024.

VI. Description of Significant Accounting subjects

Except for the following, there is no significant difference between the description of the consolidated financial statements' key accounting items and the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(I) Cash and cash equivalents

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Cash	\$ 7,567	6,695	4,631
Check deposits	9,253	4,618	9,865
Demand deposits	775,107	719,040	644,325
Foreign currency deposits	242,788	264,483	296,420
Time deposits	1,308,107	1,225,555	1,204,020

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Repurchase agreements	20,247	19,742	-
	\$ 2,363,069	2,240,133	2,159,261

Please refer to Note 6(21) for detailed disclosure of interest rate risk and sensitivity analysis of financial assets and liabilities of the consolidated company.

(II) Financial assets measured at fair value through other comprehensive income

	2025.3.31	2024.12.31	2024.3.31
Equity instruments measured at fair value through other comprehensive income:			
Unlisted domestic and foreign stocks	\$ 41,044	41,044	61,108

1. The financial assets held by the consolidated company at fair value through other comprehensive income are long-term strategic investments and not held for trading purposes, therefore designated as such financial assets. The evaluation losses of the aforementioned financial assets at fair value have been cumulatively recognized as equity items.
2. The consolidated company did not dispose of any strategic investments during the periods from January 1 to March 31, 2025 and 2024, and no accumulated gains or losses were transferred within equity during those periods.
3. Please refer to Note 6(21) for detailed information on credit risk and market risk.
4. The financial assets of the consolidated company have not been pledged as collateral.

(III) Notes and accounts receivable

	2025.3.31	2024.12.31	2024.3.31
Accounts receivable - incurred due to business operations	\$ 6,659	4,257	7,812
Accounts receivable - measured at amortized cost	864,343	1,017,990	918,446
Less: Loss allowance	(75,504)	(81,052)	(88,540)
	\$ 795,498	941,195	837,718

1. The consolidated company adopts a simplified approach to estimate expected credit losses for all receivables and accounts receivable, that is, using expected credit losses during the period of existence for measurement. For this purpose, these notes and accounts receivable are grouped based on the common credit risk characteristics representing the customer's ability to pay all due amounts according to contract terms, with forward-looking information included. The expected credit loss analysis of the consolidated company's notes and accounts receivable is as follows:

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

	2025.3.31		
	Accounts receivable and their book value	Expected credit loss rate during the existence period	Expected credit losses during the loss allowance period
Not overdue	\$ 645,405	0%~0.05%	37
Overdue for less than 90 days	149,928	0%~0.08%	241
Overdue for 90~180 days	465	10%~50%	66
Overdue for 180~360 days	89	50%	45
Overdue for more than 360 days	<u>75,115</u>	100%	<u>75,115</u>
	<u>\$ 871,002</u>		<u>75,504</u>
	2024.12.31		
	Accounts receivable and their book value	Expected credit loss rate during the existence period	Expected credit losses during the loss allowance period
Not overdue	\$ 738,211	0%~0.05%	28
Overdue for less than 90 days	196,798	0%~0.05%	293
Overdue for 90~180 days	4,980	10%	498
Overdue for 180~360 days	4,050	50%	2,025
Overdue for more than 360 days	<u>78,208</u>	100%	<u>78,208</u>
	<u>\$ 1,022,247</u>		<u>81,052</u>
	2024.3.31		
	Accounts receivable and their book value	Expected credit loss rate during the existence period	Expected credit losses during the loss allowance period
Not overdue	\$ 619,845	0%~0.06%	37
Overdue for less than 90 days	190,335	0%~0.08%	39
Overdue for 90~180 days	28,356	10%~52%	1,548
Overdue for 180~360 days	7,777	50%~100%	6,971
Overdue for more than 360 days	<u>79,945</u>	100%	<u>79,945</u>
	<u>\$ 926,258</u>		<u>88,540</u>

2. The changes in loss allowance of the consolidated company's notes and accounts receivable are as follows:

From January to March 2025	From January to March 2024
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Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Balance at beginning of period	\$	81,052	90,870
Reversal of recognized impairment		(6,913)	(4,117)
translation gain or loss		1,365	1,787
Balance at end of period	\$	75,504	88,540

3. The accounts receivable of the consolidated company have not been pledged as collateral.

(IV) Inventory

		<u>2025.3.31</u>		<u>2024.12.31</u>		<u>2024.3.31</u>
Raw materials	\$	315,242		288,879		307,814
Current work in progress		549,737		480,411		307,907
Current finished goods		131,791		140,971		136,429
Products		11,138		11,176		23,951
	\$	1,007,908		921,437		776,101

1. The inventory costs recognized as cost of goods sold and expenses for the periods from January 1 to March 31, 2025 and 2024 were NT\$1,020,623 thousand and NT\$995,894 thousand, respectively. In the period from January 1 to March 31, 2025, a gain of NT\$3,535 thousand was recognized due to inventory recovery; in the same period of 2024, a loss of NT\$4,113 thousand was recognized due to a write-down of inventory to net realizable value. The aforementioned inventory valuation loss and recovery gain have been reported under cost of goods sold.

2. The inventories of the consolidated company have not been pledged as collateral.

(V) Property, plant and equipment

The detailed changes in costs, depreciation, and impairment losses of property, plant, and equipment of the consolidated company are as follows:

		Land	Buildings and structures	Machines and equipment	Transportation equipment	Office equipment	Leased assets	Other equipment	Unfinished construction and equipment under acceptance	Total
Cost:										
Balance on January 1, 2025	\$	493,949	1,607,443	1,124,905	36,097	100,192	444	99,874	11,044	3,473,948
Addition		-	1,531	7,059	1,683	130	-	-	363	10,766
Transferred in		-	-	30,533	1,571	174	-	-	-	32,278
Disposal		-	-	(5,480)	(323)	(276)	-	-	-	(6,079)
Effect of changes in foreign exchange rate		1,423	17,232	20,316	697	1,440	-	1,455	146	42,709
Balance on March 31, 2025	\$	495,372	1,626,206	1,177,333	39,725	101,660	444	101,329	11,553	3,553,622
January 1, 2024	\$	465,439	1,548,131	1,044,941	34,670	129,796	444	118,754	4,238	3,346,413
Addition		-	567	14,819	2,780	436	-	1,410	4,881	24,893
Transferred in		-	17,944	1,872	54	-	-	-	-	19,870
Disposal		-	-	(10,600)	(1,605)	(33,262)	-	(26,921)	-	(72,388)
Effect of changes in foreign exchange rate		350	20,333	14,708	441	1,859	-	581	146	38,418
Balance on March 31, 2024	\$	465,789	1,586,975	1,065,740	36,340	98,829	444	93,824	9,265	3,357,206
Depreciation and impairment losses										
Balance on January 1, 2025	\$	-	588,978	813,199	23,939	85,784	444	65,337	-	1,577,681
Current depreciation		-	15,952	20,268	1,054	1,286	-	1,981	-	40,541
Disposal		-	-	(5,478)	(176)	(270)	-	-	-	(5,924)
Effect of changes in foreign exchange rate		-	7,775	15,059	456	1,222	-	1,337	-	25,849
Balance on March 31, 2025	\$	-	612,705	843,048	25,273	88,022	444	68,655	-	1,638,147
January 1, 2024	\$	-	508,595	740,134	23,193	111,812	444	83,277	-	1,467,455
Current depreciation		-	16,622	17,943	985	1,386	-	1,902	-	38,838
Disposal		-	-	(9,898)	(1,574)	(33,262)	-	(26,921)	-	(71,655)
Effect of changes in foreign exchange rate		-	9,118	11,193	311	1,601	-	539	-	22,762
Balance on March 31, 2024	\$	-	534,335	759,372	22,915	81,537	444	58,797	-	1,457,400

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Book value:

January 1, 2025	\$ 493,949	1,018,465	311,706	12,158	14,408	-	34,537	11,044	1,896,267
March 31, 2025	\$ 495,372	1,013,501	334,285	14,452	13,638	-	32,674	11,553	1,915,475
January 1, 2024	\$ 465,439	1,039,536	304,807	11,477	17,984	-	35,477	4,238	1,878,958
March 31, 2024	\$ 465,789	1,052,640	306,368	13,425	17,292	-	35,027	9,265	1,899,806

1. Due to the lengthy procedures and related timeline required by local laws and regulations for registering the overseas portion of the consolidated company's land in the name of the company, and in order to save time and maximize efficiency, the ownership of the land is currently registered in the personal name of the Chairman of the consolidated company. The consolidated company signed an agreement with the owner on the land certificate and ownership certificate, stating that all rights and obligations of the land belong to the consolidated company.
2. Please refer to Note 8 for details of the property, plant and equipment of the consolidated company that have been used as collateral for loans and financing.

(VI) Right-of-use assets

The changes in the recognized right-of-use assets for leased land, houses, buildings, and transportation equipment of the consolidated companies are as follows:

	Land	Buildings and structures	Transportation equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2025	\$ 114,209	249,058	4,503	367,770
Addition	-	6,354	631	6,985
Disposal	-	(6,813)	(1,545)	(8,358)
Effect of changes in foreign exchange rate	1,217	6,659	39	7,915
Balance on March 31, 2025	<u>\$ 115,426</u>	<u>255,258</u>	<u>3,628</u>	<u>374,312</u>
January 1, 2024	\$ 110,870	248,056	3,257	362,183
Addition	-	6,148	-	6,148
Reduction	-	(5,981)	-	(5,981)
Lease modification	1,117	130	-	1,247
Effect of changes in foreign exchange rate	1,705	3,521	21	5,247
Balance on March 31, 2024	<u>\$ 113,692</u>	<u>251,874</u>	<u>3,278</u>	<u>368,844</u>
Accumulated depreciation of right-of-use assets:				
Balance on January 1, 2025	\$ 36,710	133,235	1,749	171,694
Provision of depreciation	1,824	11,623	335	13,782
Disposal	-	(6,813)	(1,133)	(7,946)
Effect of changes in foreign exchange rate	297	3,940	28	4,265

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Balance on March 31, 2025	<u>\$</u>	<u>38,831</u>	<u>141,985</u>	<u>979</u>	<u>181,795</u>
January 1, 2024	\$	28,974	96,625	1,730	127,329
Provision of depreciation		1,808	11,740	270	13,818
Reduction		-	(5,981)	-	(5,981)
Effect of changes in foreign exchange rate		<u>385</u>	<u>1,265</u>	<u>11</u>	<u>1,661</u>
Balance on March 31, 2024	<u>\$</u>	<u>31,167</u>	<u>103,649</u>	<u>2,011</u>	<u>136,827</u>
Book value:					
January 1, 2025	<u>\$</u>	<u>77,499</u>	<u>115,823</u>	<u>2,754</u>	<u>196,076</u>
March 31, 2025	<u>\$</u>	<u>76,595</u>	<u>113,273</u>	<u>2,649</u>	<u>192,517</u>
January 1, 2024	<u>\$</u>	<u>81,896</u>	<u>151,431</u>	<u>1,527</u>	<u>234,854</u>
March 31, 2024	<u>\$</u>	<u>82,525</u>	<u>148,225</u>	<u>1,267</u>	<u>232,017</u>

Please refer to Note 8 for details on the consolidated company's pledge of right-of-use assets as collateral.

(VII) Investment property

The detailed changes in the book value of the investment properties of the consolidated company are as follows:

	<u>Land and improvements</u>	<u>Buildings and structures</u>	<u>Total</u>
Book amount:			
January 1, 2025	\$ 1,166,597	326,564	1,493,161
Effect of changes in foreign exchange rate	<u>7,961</u>	<u>4,962</u>	<u>12,923</u>
March 31, 2025	<u>\$ 1,174,558</u>	<u>331,526</u>	<u>1,506,084</u>
January 1, 2024	\$ 1,200,863	325,983	1,526,846
Effect of changes in foreign exchange rate	<u>18,914</u>	<u>9,713</u>	<u>28,627</u>
March 31, 2024	<u>\$ 1,219,777</u>	<u>335,696</u>	<u>1,555,473</u>

1. There is no significant difference between the fair value of the consolidated company's investment property and the information disclosed in note 6(8) to the 2024 financial statements.

2. Please refer to Note 8 for details on the consolidated company's pledge of investment properties as collateral.

(VIII) Intangible assets

<u>Patents and trademarks</u>	<u>Goodwill</u>	<u>Computer software</u>	<u>Other intangible</u>	<u>Total</u>
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Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

	<u>cost</u>		<u>assets</u>			
Book value:						
January 1, 2025	\$	38,477	216,545	9,620	18	264,660
March 31, 2025	\$	38,062	218,750	8,056	449	265,317
January 1, 2024	\$	22,103	205,624	12,918	616	241,261
March 31, 2024	\$	21,543	212,423	11,222	1,417	246,605

There was no significant addition, disposal, impairment recognition or reversal of the intangible assets of the consolidated company during the three months ended March 31, 2025 and 2024. Please refer to Note 12 for the amortization amount and Note 6(9) of the consolidated financial statements for the relevant information.

(IX) Short-term loans

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Unsecured bank loans	\$ 616,205	611,431	627,245
Unsecured non-financial institution loans	25,000	25,000	25,000
Secured bank loans	879,589	830,480	785,286
Total	\$ 1,520,794	1,466,911	1,437,531
Credit line not yet used	\$ 1,171,787	1,098,639	1,062,306
Interest rate range	1.98%~4.75%	1.69%~4.75%	1.84%~5.05%

1. The amounts added for the three months ended March 31, 2025 and 2024 were NT\$768,060 thousand and NT\$530,165 thousand, respectively, and the amounts repaid were NT\$714,177 thousand and NT\$337,710 thousand, respectively.

2. Please refer to Note 8 for details on the guarantee situation of the consolidated company using assets as collateral for bank loans.

(X) Short-term notes payable

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Commercial paper payable	\$ 790,000	790,000	710,000
Less: Discounts not amortized	(1,037)	(1,002)	(942)
Net amount	\$ 788,963	788,998	709,058
Interest rate range	2.178%~2.328%	1.98%~2.34%	1.988%~2.198%

1. The guarantee or acceptance institutions for the short-term bills payable above are five joint -ending banks including Chang Hwa Bank, China Bills, TCB Bills, International Bills, and Mega Bills.

2. The consolidated company's short-term notes payable amounted to NT\$789,965 thousand and NT\$709,776 thousand for the three months ended March 31, 2025 and 2024, respectively, and the amounts repaid were NT\$790,000 thousand and NT\$710,000

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

thousand, respectively. Interest expense: Please refer to Note 6(20).

- Please refer to Note 8 for details on the collateral arrangements involving assets pledged to secure the short-term notes payable.

(XI) Long-term borrowing

The details, conditions, and terms of the long-term borrowings of the consolidated company are as follows:

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Guaranteed non-financial institution loans	\$ 150,384	136,957	-
Unsecured bank loans	56,905	48,066	74,056
Secured bank loans	1,923,804	1,945,131	1,980,664
Less: current portion	(170,882)	(159,366)	(121,751)
Loan handling fee	<u>(814)</u>	<u>(1,593)</u>	<u>(2,143)</u>
Net amount	<u>\$ 1,959,397</u>	<u>1,969,195</u>	<u>1,930,826</u>
Credit line not yet used	<u>\$ 163,000</u>	<u>178,000</u>	<u>176,792</u>
Interest rate range	2.225%~4.80%	2.225%~4.80%	2.23%~4.80%
Maturity intervals	2025.08~2036.0	2025.08~2036.0	2025.08~2036.0
	5	5	5

- The amounts added for the three months ended March 31, 2025 and 2024 were NT\$35,000 thousand and NT\$0, respectively, and the amounts repaid were NT\$34,096 thousand and NT\$29,390 thousand, respectively.
- On April 14, 2022, the consolidated company signed a five-year syndicated loan agreement worth NT \$1.2 billion with five joint-lending banks, including Chang Hwa Bank. The funds obtained from the syndicated loan case are used to repay the outstanding balance of the previous syndicated loan case before the signing date and to enrich the working capital. According to the provisions of the syndicated loan agreement, the consolidated company shall calculate and maintain a specific current ratio, debt ratio, and tangible net worth based on the annual parent company only financial report audited and certified by certified public accountants during the loan term. The consolidated company met the aforementioned financial ratios on December 31, 2024.
- Please refer to Note 8 for details on the guarantee situation of the consolidated company using assets as collateral for bank loans.

(XII) Lease liabilities

The book value of the consolidated company's lease liabilities is as follows:

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Current	<u>\$ 57,919</u>	<u>50,890</u>	<u>51,865</u>
Non-current	<u>\$ 91,460</u>	<u>102,348</u>	<u>135,691</u>

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Please refer to Note 6(21) Financial Instruments for the detailed maturity analysis.

The amounts recognized in profit or loss are as follows:

	From January to March 2025	From January to March 2024
Interest expenses on lease liabilities	<u>\$ 1,069</u>	<u>1,344</u>
Expenses of low-value leased assets (excluding low-value short-term leases)	<u>\$ 4,513</u>	<u>3,191</u>

The lease amount recognized in the cash flow statement is as follows:

	From January to March 2025	From January to March 2024
Total cash outflow from leasing	<u>\$ 19,408</u>	<u>17,467</u>

Please refer to Note 6(20) for the rental income received from investment property leases and leased assets for the periods from January 1 to March 31, 2025 and 2024.

(XIII) Operating leases

The consolidated company did not enter into any significant new operating lease contracts during the three-month periods ended March 31, 2025 and 2024. Please refer to Note 6(14) of the 2024 consolidated financial statements for relevant information.

(XIV) Employee benefits

1. Defined benefit plan

As there were no significant market fluctuations, curtailments, settlements, or other significant one-time events after the reporting dates of the previous years, the consolidated company measured and disclosed the pension cost for the interim periods based on the actuarial valuations as of December 31, 2024 and 2023.

The actual expenses reported by the consolidated company are as follows:

	From January to March 2025	From January to March 2024
Operating cost	\$ 33	27
Selling expenses	17	40
Administrative expenses	8	15
Commissions expense	11	22
	<u>\$ 69</u>	<u>104</u>

2. Defined allocation plan

The pension expenses under the defined contribution plan for the consolidated companies are as follows, which have been contributed to individual labor pension accounts with the Bureau of Labor Insurance and the respective social insurance authorities in the countries where the operating sites are located:

	From January to March 2025	From January to March 2024
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Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Operating cost	\$	4,421	4,299
Selling expenses		1,746	1,791
Administrative expenses		3,336	3,082
Commissions expense		556	578
		<u>10,059</u>	<u>9,750</u>

(XV) Income tax

1. The detailed income tax expenses of the consolidated company are as follows:

	<u>From January to March 2025</u>	<u>From January to March 2024</u>
Current income tax expense		
Occurred in the current period	\$ 18,632	39,387
Adjustment to the income tax for the previous period	-	-
	<u>18,632</u>	<u>39,387</u>
Deferred income tax expense		
Occurrence and reversal of temporary differences	4,343	2,882
Income tax expenses	<u>\$ 22,975</u>	<u>42,269</u>

2. The statutory tax rates applicable to subsidiaries in various regions abroad are as follows: 22.1% to 43.84% for Americas, 15% for the Netherlands, 30% for Mexico, 25% for mainland China, 28% for South Africa, and 25% for Eswatini.

3. The Company's profit-seeking business income tax settlement declaration has been approved by the tax collection authority up to the year 2021.

(XVI) Capital and other equity

Except as disclosed below, there were no significant changes in capital and other equity of the consolidated company during the three-month periods ended March 31, 2025 and 2024. Please refer to Note 6(17) of the 2024 consolidated financial statements for relevant information.

1. Capital surplus

The balance of the Company's capital reserve is as follows:

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Premium from share issuing	\$ 121,485	121,485	121,485
Corporate bond conversion premium	14,648	14,648	14,648
Treasury stock trading	3,949	3,949	3,949
Difference between the actual acquisition price of subsidiary equity and the book value	110,415	110,415	110,415
Using equity method to recognize changes in net equity value of	3,769	3,769	3,516

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subsidiaries			
Gifts from shareholders	254	254	254
	\$ 254,520	254,520	254,267

According to the Company Act, the capital surplus must first be used to cover losses before the realized capital surplus can be distributed in new shares or cash in proportion to the shareholders' original shareholdings. The realized capital surplus referred to in the preceding paragraph includes the excess income from issuing shares exceeding the face value and the income from gifts. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that can be allocated as capital each year shall not exceed 10% of the paid-in capital.

2. Retained earnings

According to the Company's articles of association, if there is a surplus after the annual settlement, taxes should be paid first to make up for accumulated losses, and then 10% should be set aside as legal reserve. After setting aside or reversing the special reserve in accordance with relevant laws and regulations, the disposal of any undistributed earnings shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution along with the previous year's distribution proposal.

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.

(1) Legal surplus

When the Company has no losses, it may, through a resolution of the shareholders' meeting, issue new shares or cash from the legal reserve, but only up to the portion of the reserve that exceeds 25% of the paid-in capital.

(2) Special reserve

The Company adopts the fair value model for the subsequent measurement of investment properties. According to the regulations of the Financial Supervisory Commission, the net increase in fair value measured by the fair value model for the first time is transferred to the retained earnings portion, and a special reserve of the same amount is set aside. When the Company distributes distributable earnings annually, the special reserve should be set aside in the following order:

For the net increase in fair value resulting from the continued use of the fair value model to measure investment properties in the current year, a special reserve of the

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

same amount shall be set aside from the current period's profit and loss and the previous period's undistributed earnings. If the accumulated net increase in fair value in the previous period is included, the same amount of special reserve as the undistributed earnings in the previous period shall not be distributed. If the accumulated net increase in fair value recorded as investment property decreases or the investment property is disposed of later, the reduced portion may be redistributed as earnings according to the disposal.

At the end of the period, for the difference between the market value of the parent company's stock held by a subsidiary and its book value, the same amount of special reserve shall be allocated based on the shareholding ratio and shall not be distributed. If there is a rebound in the market price afterwards, the amount of that part may be converted back into the special reserve according to the shareholding ratio.

The difference between the net decrease in other shareholders' equity recorded in the current year and the balance of the special reserve mentioned in the previous paragraph shall be supplemented by a special reserve from the current period's profit and loss and the undistributed earnings in the previous period. The amount of other shareholders' equity deductions accumulated in the previous period shall be supplemented with the special reserve from the undistributed earnings of the previous period and shall not be distributed. When there is a reversal of the amount of reduction of other shareholders' equity in the future, the surplus may be distributed based on the reversed portion.

(3) Earnings distribution

The Company's Board of Directors proposed and resolved not to distribute dividends on March 27, 2025 and June 14, 2024. Please visit the MOPS for relevant information.

(XVII) Earnings per share

The basic earnings per share and diluted earnings per share of the Company are calculated as follows:

	From January to March 2025	From January to March 2024
Basic EPS (NT\$)		
Net profit attributable to ordinary equity holders of the Company	\$ <u>4,744</u>	<u>27,871</u>
Weighted average number of outstanding ordinary shares (in thousands)	<u>233,625</u>	<u>233,625</u>
	<u>\$ 0.02</u>	<u>0.12</u>
Diluted earnings per share (NT\$)		

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Net profit attributable to ordinary equity holders of the Company	<u>\$</u>	<u>4,744</u>	<u>27,871</u>
Weighted average number of outstanding ordinary shares		233,625	233,625
Impact of employee remuneration stock		<u>89</u>	<u>58</u>
Weighted average number of outstanding ordinary shares (after adjusting for the potential impact of dilution on ordinary shares)		<u>233,714</u>	<u>233,683</u>
	<u>\$</u>	<u>0.02</u>	<u>0.12</u>

(XVIII) Revenue from customer contracts

1. Breakdown of income

	<u>From January to March 2025</u>	<u>From January to March 2024</u>
Major regional markets:		
Taiwan	\$ 84,247	86,890
Americas	562,986	666,968
Asia	291,663	203,872
Africa	229,185	225,824
Other countries	<u>75,118</u>	<u>54,421</u>
	<u>\$ 1,243,199</u>	<u>1,237,975</u>

2. Contract balance

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Notes receivable	\$ 6,659	4,257	7,812
Accounts receivable	864,343	1,017,990	918,446
Less: Loss allowance	<u>(75,504)</u>	<u>(81,052)</u>	<u>(88,540)</u>
	<u>\$ 795,498</u>	<u>941,195</u>	<u>837,718</u>
Contract liabilities	<u>\$ 76,566</u>	<u>105,907</u>	<u>69,242</u>

Please refer to Note 6 (3) for detailed disclosure of notes receivable and accounts receivable and their losses.

The changes in contractual liabilities are mainly due to the difference between the time when the consolidated company transfers goods to customers to fulfill performance obligations and the time when customers make payments.

(XIX) Employees' and directors' remuneration

According to the Company's articles of association, if there is a profit in the year, 2% should be allocated as employee remuneration, which shall be distributed by board resolution in the form of stocks or cash. The distribution recipients may include employees of subsidiary companies who meet certain conditions. The Company shall allocate no more than

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

2% of the above profits as director's remuneration by board resolution. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. But when the Company still has an cumulative loss, it should reserve the amount to be compensated in advance, and then allocate employees' remuneration and directors' remuneration according to the proportion mentioned in the preceding paragraph.

For the three-month period ended March 31, 2025, the employees' remuneration and directors' remuneration of the Company were both NT\$294 thousand. The amounts were estimated based on the Company's income before tax for the period, before deducting employees', directors', and supervisors' remuneration, multiplied by the allocation ratios prescribed in the Company's Articles of Incorporation, and recognized as operating expenses for the period. As the Company incurred an accumulated loss during the three-month period ended March 31, 2024, no estimation for employees' remuneration and directors' remuneration was made.

There is no difference between the amount provided for employees' remuneration and directors' remuneration of the Company and the actual distribution amounts for the years 2024 and 2023. Relevant information can be found on the MOPS.

(XX) Non-operating income and expenses

1. Other income

	From January to March 2025	From January to March 2024
Rental income	\$ 2,889	3,006

2. Other gains and losses

	From January to March 2025	From January to March 2024
Gains (losses) on disposals of property, plant and equipment	\$ (82)	2
Foreign exchange gains	32,667	49,385
Miscellaneous income	3,668	3,544
Miscellaneous disbursements	(8,332)	(3,171)
	\$ 27,921	49,760

3. Interest income

	From January to March 2025	From January to March 2024
Interest income		
Bank deposit interest	\$ 23,488	19,466
Overdue account interest	29	27
Deposit interest calculated	12	41

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	<u>\$ 23,529</u>	<u>19,534</u>
4. Interest expense		
	From January to March 2025	From January to March 2024
Loan interest	\$ 30,843	29,815
Amortization of lease liabilities	<u>1,069</u>	<u>1,344</u>
	<u>\$ 31,912</u>	<u>31,159</u>

(XXI) Financial Instruments

Except for the following, there is no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk due to financial instruments. Please refer to note 6(22) to the consolidated financial statements for the year 2024 for relevant information.

1. Liquidity risk

The following table shows the contract maturity dates of financial liabilities, including estimated interest but excluding the impact of net amount agreements.

	<u>Book value</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
March 31, 2025							
Non-derivative financial liabilities							
Secured loans	\$ 2,953,777	3,211,716	714,245	437,146	223,394	1,649,214	187,717
Unsecured loans	698,110	704,231	544,857	127,183	26,575	5,616	-
Short-term notes payable	788,963	790,000	790,000	-	-	-	-
Accounts payable	861,219	861,219	861,219	-	-	-	-
Lease liabilities	149,379	156,701	30,796	31,048	58,947	35,910	-
	<u>\$ 5,451,448</u>	<u>5,723,867</u>	<u>2,941,117</u>	<u>595,377</u>	<u>308,916</u>	<u>1,690,740</u>	<u>187,717</u>
December 31, 2024							
Non-derivative financial liabilities							
Secured loans	\$ 2,912,568	3,193,790	600,111	481,607	226,940	1,689,297	195,835
Unsecured loans	684,497	689,428	606,721	59,741	15,409	7,557	-
Short-term notes payable	788,998	790,000	790,000	-	-	-	-
Accounts payable	870,336	870,336	870,336	-	-	-	-
Lease liabilities	153,238	161,403	27,364	27,700	56,691	49,648	-
	<u>\$ 5,409,637</u>	<u>5,704,957</u>	<u>2,894,532</u>	<u>569,048</u>	<u>299,040</u>	<u>1,746,502</u>	<u>195,835</u>
March 31, 2024							
Non-derivative financial liabilities							
Secured loans	\$ 2,765,950	2,986,211	586,031	343,537	161,197	829,876	1,065,570
Unsecured loans	726,301	732,303	650,979	45,667	29,979	5,678	-
Short-term notes payable	709,058	710,000	710,000	-	-	-	-

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Accounts payable	745,072	745,072	745,072	-	-	-	-
Lease liabilities	187,556	199,509	28,667	28,226	52,785	85,635	4,196
	\$ 5,133,937	5,373,095	2,720,749	417,430	243,961	921,189	1,069,766

The consolidated company does not expect the cash flow of the maturity date analysis to occur significantly earlier, or the actual amount to be significantly different.

2. Exchange rate risk

(1) Exchange rate risk exposure

The financial assets and liabilities of the consolidated company exposed to significant foreign currency exchange rate risk are as follows:

	2025.3.31			2024.12.31			2024.3.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
NTD:USD	\$ 42,790	33.2050	1,420,85	43,896	32.7850	1,439,12	47,325	32.0000	1,514,40
Eswatini dollar:USD	422	18.3486	14,03	464	18.8324	15,19	389	18.8679	12,43
RMB:USD	3,234	7.2579	107,33	3,152	7.2985	103,01	1,142	7.2221	36,36
VDN:USD	31	25,576	1,02	49	25,488	1,62	824	24,825	26,33
EUR:USD	1,241	35.9700	44,64	1,171	31.1400	39,98	1,510	34.46	52,03
Peso:USD	83	20.4082	2,75	133	20.7469	4,35	702	16.5563	22,43
JPY:USD	88,240	0.2227	19,65	90,776	0.2099	19,05	107,872	0.2115	22,81
<u>Financial liabilities</u>									
<u>Monetary items</u>									
NTD:USD	5,825	33.2050	193,42	5,226	32.7850	171,32	5,307	32.0000	169,83
Eswatini dollar:USD	149	18.3486	4,95	136	18.8324	4,46	154	18.8679	4,92
RMB:USD	3,129	7.2579	103,85	3,167	7.2985	103,49	3,058	7.2221	97,35

(2) Sensitivity analysis

The exchange rate risk of the consolidated company's monetary items mainly comes from cash and cash equivalents denominated in foreign currencies, accounts receivable, other receivables, other financial assets, borrowings, accounts payable, and other payables, which generate foreign currency exchange gains and losses during conversion. As of March 31, 2025 and 2024, if the New Taiwan Dollar had depreciated or appreciated by 1% against the aforementioned foreign currencies, with all other variables held constant, the after-tax profit for the three-month periods ended March 31, 2025 and 2024 would have increased or decreased by NT\$13,081 thousand and NT\$14,147 thousand, respectively.

(3) Exchange gains and losses of monetary items

Due to the wide variety of functional currencies within the consolidated group, the exchange gains and losses on monetary items are disclosed in aggregate. The foreign

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

income

Domestic non-listed stocks	\$ 41,044	-	-	41,044	41,044
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2024.3.31

Book value	Fair value			Total
	Level 1	Level 2	Level 3	

Financial assets measured at fair

value through other comprehensive

income

Domestic non-listed stocks	\$ 61,108	-	-	61,108	61,108
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(2) Fair value assessment techniques for financial instruments not measured at fair value

The methods and assumptions used by the consolidated company to estimate non fair value instruments are as follows:

(2.1) Financial liabilities measured at amortized cost (non-active market debt instrument investments)

If there is transaction or market maker quotation data, the most recent transaction price and quotation data shall be used as the basis for evaluating fair value. If there is no market value available for reference, evaluation methods are used for estimation. The estimation and assumptions used in the evaluation method are based on the discounted value of cash flows for estimation of fair value.

(3) Fair value evaluation techniques for measuring financial instruments at fair value

The fair value of financial assets and financial liabilities of the consolidated company is determined in the following manner:

(3.1) The fair value of financial assets and financial liabilities, such as stocks of listed (or over-the-counter) companies, which have standard terms and conditions and are traded in active markets, is determined by reference to market quotations.

(3.2) For the equity instruments held by the consolidated company without a publicly quoted price which belong to an inactive market:

- Use the discounted cash flow model to estimate fair value; the main assumption is to measure the expected standard return of the investee at a capitalization rate that reflects investment risk.

- Use the market comparable company method to estimate the fair value; the main assumption is based on the net asset value ratio of the market average stock prices of comparable listed (or over-the-counter) companies of the investee. This estimate has been adjusted for the lack of market liquidity of the equity securities, and the discount effect of minority equity discounts.

(3.3) The fair value of other financial assets and financial liabilities other than those

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mentioned above is determined based on a generally accepted pricing model using discounted cash flow analysis.

(4) Table of changes in Level 3

Changes in financial assets measured at fair value through other comprehensive income of the consolidated company:

	Equity instruments without publicly quoted prices
January 1, 2025	\$ 41,044
March 31, 2025	<u>\$ 41,044</u>
January 1, 2024	\$ 47,016
Recognized in other comprehensive income	(9,245)
Transferred in	9,245
Purchase	13,280
Effect of changes in foreign exchange rate	812
March 31, 2024	<u>\$ 61,108</u>

The fair value measurement of financial instruments classified as Level 3 by the consolidated company is reasonable. Using different evaluation parameters may result in different evaluation results, but the impact on other comprehensive income for the current period is not significant.

The total profit or loss above are recognized under "unrealized valuation losses on financial assets measured at fair value through other comprehensive income". The assets related to the assets held on March 31, 2025 and 2024 are as follows:

	<u>From January to March 2025</u>	<u>From January to March 2024</u>
Total profit or loss		
Recognized in other comprehensive income	\$ -	<u>(9,245)</u>

(5) Transfer between levels

From January 1 to March 31, 2025 and 2024, there was no transfer of the financial instruments held by the consolidated company.

(XXII) Financial risk management

There is no significant change in the consolidated company's financial risk management objectives and policies and the disclosures in note 6(23) to the consolidated financial statements for 2024.

(XXIII) Capital management

The consolidated company's capital management objectives, policies, and procedures are consistent with those disclosed in the consolidated financial statements for the year ended

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December 31, 2024; in addition, there is no significant change in the aggregate amount of capital management items and the disclosures in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6(24) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

VII. Related-party Transactions

- (I) The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.

The related parties who had transactions with the Group during the periods covered by these consolidated financial statements are as follows:

<u>Name and relationship of related parties</u>	<u>Relationship with the consolidated company</u>
SEN JEWEL TECHNOLOGY CO., LTD.	The company's chairman is also the Chairman of the Company.
Tex-Ray Yancheng Composite materials R & D Co., Ltd.	The company's key management personnel are the same as those of the Company.
Yeh Feng-Ying	A key management person of the Company.
Yao Wan-Kuei	A key management person of the Company.

- (II) Material transactions with related parties

1. Borrowing from key management and other related parties

Recognized as other accounts payable - related parties	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Key management person of the consolidated company - Feng-Ying Yeh	\$ 70,000	60,000	50,000
Key management person of the consolidated company - Wan-Kui Yao	12,000	12,000	12,000
Other Related Parties	<u>13,719</u>	<u>13,434</u>	<u>13,224</u>
	<u>\$ 95,719</u>	<u>85,434</u>	<u>75,224</u>
Interest rate range	<u>2%~4%</u>	<u>2%~4%</u>	<u>2%~4%</u>

<u>Accounting subject</u>	<u>Category of related party</u>	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Interest payable	Key management person of the consolidated company	<u>\$ 752</u>	<u>689</u>	<u>524</u>

<u>Accounting subject</u>	<u>Category of related party</u>	<u>From January to March 2025</u>	<u>From January to March 2024</u>
Interest expense	Key management person of the consolidated company	<u>\$ 654</u>	<u>524</u>

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

No collateral was provided for the above-mentioned loan.

2. Prepayment received

The details of prepayments received by the consolidated company from other related parties are as follows, recorded as current contract liabilities:

	2025.3.31	2024.12.31	2024.3.31
Other Related Parties	\$ 690	690	690

(III) Transactions of key management

The key management's remuneration includes:

	From January to March 2025	From January to March 2024
Short-term employee benefits	\$ 4,262	4,013
Post-retirement benefits	159	178
	\$ 4,421	4,191

VIII. Pledged Assets

The detailed book values of assets pledged as collateral by the consolidated company is as follows:

Asset name	Subject matter pledge	2025.3.31	2024.12.31	2024.3.31
Other current and non-current financial assets	Long-term and short-term borrowings and customs deposits	\$ 460,557	420,897	321,940
Property, plant and equipment	Long-term and short-term borrowings and short-term notes payable	1,209,452	1,225,107	1,034,858
Investment property	Long-term borrowing	1,182,644	1,179,026	1,253,489
Right-of-use assets	Short-term loans	61,130	60,830	62,178
		\$ 2,913,783	2,885,860	2,672,465

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Significant unrecognized contractual commitments:

1. Unused letters of credit issued by the consolidated company:

	2025.3.31	2024.12.31	2024.3.31
USD	\$ 23,846	1,113	40,097
EUR	\$ 18,017	19,079	25,500

X. Major Disaster Losses: None.

XI. Significant Events After the Balance Sheet Date: None.

XII. Others

A summary of employee benefits, depreciation, depletion, and amortization expenses is as follows:

Function type Nature	From January to March 2025			From January to March 2024		
	Attributa ble to operating cost	Attributa ble to operating expense	Total	Attributa ble to operating cost	Attributa ble to operating expense	Total
Employee benefit expense						
Salaries expense	\$ 137,015	110,693	247,708	112,823	98,545	211,368
Labor and national health insurance expenses	9,921	7,685	17,606	8,842	8,110	16,952
Pension expense	4,454	5,674	10,128	4,326	5,528	9,854
Other employee benefit expenses	5,307	5,963	11,270	4,468	5,332	9,800
Depreciation expense	30,921	23,402	54,323	30,650	22,006	52,656
Amortization expense	304	2,363	2,667	425	2,021	2,446

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

XIII. Disclosure Notes

(I) Significant transaction information

For the three months ended March 31, 2025, the consolidated company should have the following material transactions disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers:

1. Lending funds to others:

No.	Company lending funds	The borrower of the loan	Current accounts	Whether a related party	Maximum balance for the 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	Provision for loss amount	Collateral		Fund lending limit for individual objects	Aggregate fund lending limit
													Designation	Value		
0	The Company	GOOD TIME	Other receivables- Related parties	Yes	\$ 39,846	39,846	39,846	1.00%	2	-	Operating revenue turnover	-	-	-	1,188,818	1,188,818
0	The Company	Jiangsu Texray	"	Yes	98,460	66,410	33,205	4.00%	2	-	Operating revenue turnover	-	-	-	1,188,818	1,188,818
0	The Company	AIQ-S	"	Yes	77,368	77,368	61,031	4.00%	2	-	Operating revenue turnover	-	-	-	1,188,818	1,188,818
1	Z-PLY(NY)	Jiangsu Texray	"	Yes	132,820	132,820	66,410	2.50%	2	-	Operating revenue turnover	-	-	-	250,617	375,925
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	"	Yes	274,539	274,539	228,188	5.50%	2	-	Operating revenue turnover	-	-	-	468,723	703,084
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-ray Apparel Co., Ltd.	"	Yes	91,513	91,513	-	5.50%	2	-	Operating revenue turnover	-	-	-	468,723	703,084
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	"	Yes	68,635	68,635	59,483	5.00%	2	-	Operating revenue turnover	-	-	-	187,489	187,489
3	TEX-RAY (CAYMAN)	TEX-RAY (MEXICO)	"	Yes	49,808	49,808	-	2.50%	2	-	Operating revenue turnover	-	-	-	369,231	553,846

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\$ 2,972,046 thousand \times 40% = NT\$ 1,188,818 thousand.

Note 3: The loan amount for individual objects shall be no more than 40% of the Company's net asset value. Therefore, based on the net asset value in the latest financial report, the calculation limit is NT\$2,972,046 thousand \times 40%=NT\$1,188,818 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: Said transactions have been written off when the consolidated financial statements were prepared.

2. Endorse and guarantee for others:

Name of the endorser/ guarantor	Entity for which the endorsement/ guarantee is made		Endorsement/ guarantee limit for a single enterprise	Maximum endorsement/ guarantee balance for this period	Ending endorsement/ guarantee balance	Actual amount disbursed	Amount of property pledged for endorsements/ guarantees	Ratio of accumulated endorsement/ guarantee amount to the	Upper limit of endorsement/ guarantee	Endorsement/ guarantee provided by the parent to subsidiary	Endorsement/ guarantee provided by the subsidiary to	Endorsement/ guarantee in mainland China
	Name of the company	Relationship (Note 1)										

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

									net worth in the most recent financial statements			parent	
0	The Company	Jiangsu Texray	2	\$ 1,486,023	1,054,458	1,054,458	540,708	391,598	35.48%	2,972,046	Y	N	Y
0	The Company	Tex-ray Apparel Co., Ltd.	2	1,486,023	167,668	153,347	77,356	99,615	5.16%	2,972,046	Y	N	Y
0	The Company	TEX-RAY(VN)	2	1,486,023	49,808	49,808	-	-	1.68%	2,972,046	Y	N	N
0	The Company	Tex-ray (Shanghai) Industrial Co., Ltd.	2	1,486,023	109,816	109,816	56,509	-	3.69%	2,972,046	Y	N	Y
0	The Company	TAIWAN SUPERCritical TECHNOLOGY CO., LTD.	2	1,486,023	20,000	20,000	-	-	0.67%	2,972,046	Y	N	N
0	The Company	AIQ SMART CLOTHING INC.	2	1,486,023	121,000	121,000	86,958	30,574	4.07%	2,972,046	Y	N	N
0	The Company	WILEYTEX Technology Co.,Ltd.	2	1,486,023	230,000	230,000	136,234	23,295	7.74%	2,972,046	Y	N	N
1	Tex-ray (Shanghai) Industrial Co., Ltd.	Kunshan Dongyi	2	468,723	45,756	45,756	20,331	-	9.76%	703,084	N	N	Y
2	Jiangsu Texray	Tex-ray Apparel Co., Ltd.	4	1,486,023	183,026	183,026	183,026	210,363	6.16%	2,972,046	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% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) A company in which the Company directly and indirectly holds more than 90% 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 upper limit of endorsement/guarantee is not more than 100% of the net value in the latest financial report of the Company. Therefore, based on the net value in the latest financial report, the calculation limit is NT\$2,972,046 thousand x 100%=NT\$2,972,046 thousand.

Note 3: The limit for endorsement/guarantee of a single enterprise shall not exceed 50% of the net value in the latest financial report of the Company. Therefore, based on the net value in the latest financial report, the calculation limit is NT\$2,972,046 thousand x 50%=NT\$1,486,023 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.

Note 5: The maximum amount of endorsement/guarantee provided by overseas subsidiaries is capped at 150% of each subsidiary's net worth in the most recent financial statements. The maximum amount of endorsement/guarantee provided to a single entity is capped at 100% of each subsidiary's net worth in the most recent financial statements.

3. Major securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures):

Holding company	Type and name of securities	Relationship with the issuer of	Accounting subject	End of period				Remark
				No. of shares (in	Book value	Shareholding	Fair value	

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

		securities		(thousands)					
The Company	SHINERA TECHNOLOGY CO., LTD.	-	Non-current financial assets measured at fair value through other comprehensive income	34	\$ -	0.56 %	-	-	-
"	Cayman iMaker Technology Inc.	-	"	800	-	8.80 %	-	-	-
"	PHYSICLO, Inc.	-	"	51	-	5.00 %	-	-	-
"	Carbon Cap Applications Technology Co., Ltd.	-	"	2,160	21,544	14.44 %	21,544	Note	-
"	Uniigym Global	-	"	313	-	2.80 %	-	-	-
"	EAI TECHNOLOGIES INC.	-	"	1,282	13,310	12.82 %	21,274	-	-
"	SEN JEWEL TECHNOLOGY CO., LTD.	-	"	950	6,190	19.00 %	11,060	-	-
AIQ SMART CLOTHING INC.	JOIUP TECHNOLOGY INC.	-	"	333	-	4.60 %	-	-	-
"	Uniigym Global	-	"	31	-	0.28 %	-	-	-
TEX-RAY (CAYMAN)	AMRAY (MEXICO)	-	"	-	-	19.00 %	-	-	-
Z-PLY (NY)	SHEEX, INC.	-	"	59	-	15.33 %	-	-	-

Note: Non-listed stocks are listed based on their net equity value multiplied by their shareholding ratio or equity evaluation report for reference, as there is no market price to follow.

4. The amount of goods traded with related parties reaches NT\$100 million or 20% of the paid-in capital:

Purchasing/ selling company	Counterparty	Relationship	Transaction status				The situation and reasons for the differences in trading conditions from general trading		Accounts/ notes receivable (payable)		Remark
			Purchase/ sale	Amount	Proportion of total purchase/sale	Credit period	Unit price	Credit period	Balance	Ratio of total accounts/ notes receivable (payable)	
Tex-Ray Industrial	Z-PLY(NY)	Subsidiary	Sales	\$ (228,313)	(32.15)%	45 days	-	-	158,805	32.45%	
T.Q.M(SWAZILAND)	TEX-RAY(SA)	Parent	Sales	(162,939)	(74.47)%	75 days	-	-	998,359	93.99%	
TEX-RAY(VN)	Tex-Ray Industrial	Ultimate parent	Sales	(104,344)	(100.00)%	60 days	-	-	-	-%	
Z-PLY(NY)	Tex-Ray Industrial	Parent	Purchase	228,313	92.16%	45 days	-	-	(158,805)	94.79%	
TEX-RAY(SA)	T.Q.M(SWAZILAND)	Subsidiary	Purchase	162,939	97.85%	75 days	-	-	(998,359)	99.89%	
Tex-Ray Industrial	TEX-RAY(VN)	Grandson company	Purchase	104,344	19.33%	60 days	-	-	-	-%	

Note: The transactions above have already been offset during the preparation of the consolidated financial report.

5. Accounts receivable from related parties reaching NT\$100 million or 20% of the paid-in capital:

Recognized as company with accounts receivable	Counterparty	Relationship	Balance of accounts receivable from related parties	Turnover rate	Overdue receivables from related parties		Amount of accounts receivable from related parties recovered after the due date	Provision for loss amount
					Amount	Disposal method		
Tex-Ray Industrial	Z-PLY(NY)	Subsidiary	158,805	1.71%	-	-	93,110	-
T.Q.M (SWAZILAND)	TEX-RAY(SA)	Parent	998,359	0.18%	-	-	-	-
KASUMI (SWAILAND)	T.Q.M (SWAZILAND)	Affiliate	359,089	0.09%	-	-	22,711	-
Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	Affiliate	228,188	Note 1	-	-	-	-

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Note 1: Amount of loans to related parties.

Note 2: Said transactions have been written off when the consolidated financial statements were prepared.

6. Business relationships between parent and subsidiary companies and significant transactions:

No.	Trading party	Trading counterparty	Relation ship with the trading party	Trading status			Percentage the total consolidated operating revenue or total assets
				Accounting subject	Amount	Conditions	
0	Tex-Ray Industrial	Z-PLY(NY)	1	Sales revenue	\$ 228,313	Equivalent with unrelated parties	18.36%
0	Tex-Ray Industrial	Z-PLY(NY)	1	Accounts receivable	158,805	"	1.79%
0	Tex-Ray Industrial	WILEYTEX Technology Co.,Ltd.	1	Other prepayments	42,400	"	0.48%
0	Tex-Ray Industrial	TEX-RAY(VN)	1	Other prepayments	132,345	"	1.49%
0	Tex-Ray Industrial	T.Q.M(SWAZILAND)	1	Sales revenue	24,136	"	1.94%
0	Tex-Ray Industrial	T.Q.M(SWAZILAND)	1	Accounts receivable	26,456	"	0.30%
0	Tex-Ray Industrial	GOOD TIME	1	Other receivables	39,846	Based on the contract	0.45%
0	Tex-Ray Industrial	AIQ-S	1	Other receivables	61,031	Based on the contract	0.69%
0	Tex-Ray Industrial	Jiangsu Texray	1	Other receivables	33,205	Based on the contract	0.37%
1	Tex-ray Apparel Co., Ltd.	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Accounts receivable	15,066	Equivalent with unrelated parties	0.17%
2	Tex-ray Apparel Co., Ltd.	Tex-ray (Yencheng) Industrial Co., Ltd.	3	Accounts receivable	18,020	"	0.20%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-Ray Industrial	2	Sales revenue	78,553	"	6.32%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-Ray Industrial	2	Accounts receivable	56,901	"	0.64%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	3	Other receivables	228,188	Based on the contract	2.57%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	3	Accounts receivable	22,804	Equivalent with unrelated parties	0.26%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	3	Other receivables	59,483	Based on the contract	0.67%
3	T.Q.M(SWAZILAND)	TEX-RAY(SA)	3	Accounts receivable	998,359	Equivalent with unrelated parties	11.26%
3	T.Q.M(SWAZILAND)	TEX-RAY(SA)	3	Sales revenue	162,939	Equivalent with unrelated parties	13.11%
3	T.Q.M(SWAZILAND)	TEXRAY HOLDINGS (PTY) LTD	3	Accounts receivable	58,817	"	0.66%
3	T.Q.M(SWAZILAND)	TEXRAY HOLDINGS (PTY) LTD	3	Sales revenue	45,793	"	3.68%
3	T.Q.M(SWAZILAND)	Tex-Ray Industrial	2	Prepayments for equipment	61,072	"	0.69%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Accounts receivable	359,089	"	4.05%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Sales revenue	31,945	"	2.57%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Other receivables	44,155	Based on the agreement	0.50%

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

No.	Trading party	Trading counterparty	Relation ship with the trading party	Trading status			Percentage the total consolidated operating revenue or total assets
				Accounting subject	Amount	Conditions	
5	GOLDEN JUBILEE	T.Q.M(SWAZILAND)	3	Accounts receivable	25,007	Equivalent with unrelated parties	0.28%
6	MSWATI	Tex-ray Apparel Co., Ltd.	3	Other receivables	23,228	Based on the contract	0.26%
7	Z-PLY(NY)	Jiangsu Texray	3	Other receivables	66,410	"	0.75%
8	King's Metal	King's (Holland)	3	Sales revenue	31,045	Based on fixed interest rates	2.50%
8	King's Metal	King's (Holland)	3	Accounts receivable	29,480	"	0.33%
9	TEX-RAY(VN)	Tex-Ray Industrial	2	Processing revenue	104,344	Equivalent with unrelated parties	8.39%
10	Kunshan Dongyi	Tex-ray Apparel Co., Ltd.	3	Accounts receivable	74,151	"	0.84%
10	Kunshan Dongyi	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Accounts receivable	50,831	"	0.57%
11	FABRICFOUNDRY	T.Q.M(SWAZILAND)	3	Sales revenue	23,331	"	1.88%

Note 1: The method of filling in the number is as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered in sequence starting from Arabic numeral 1 according to the company type.

Note 2: The types of relationships with trading parties are indicated as follows:

1. Parent with subsidiary.
2. Subsidiary with parent.
3. Subsidiary with subsidiary.

Note 3: The above-mentioned transactions have already been offset when preparing the consolidated financial report.

(II) Information on investees:

The information on the consolidated company's investees from January 1 to March 31, 2025 is as follows:

Investor name	Investee name	Location	Principle business lines	Original investment amount		Holding at period end			Current profit and loss of the investee company	Investment gains and losses recognized in the period	Remark
				Period end	End of last year	Quantity of shares	Ratio	Book value			
The Company	GREAT CPT INTERNATIONAL CO., LTD.	Taiwan	Overseas investment and holding	\$ 124,370	124,370	5,000,000	100.00%	52,128	(200)	(200)	Subsidiary
The Company	King's Metal	Taiwan	Secondary processing of non-woven fabrics and steel and retail of cloths and fabrics	83,002	83,002	15,639,205	59.22%	304,175	30,417	18,012	Subsidiary
The Company	TAIWAN SUPERCritical TECHNOLOGY CO., LTD.	Taiwan	Printing and dyeing finishing, mechanical equipment manufacturing and wholesale, etc	68,067	68,067	5,371,250	75.63%	63,477	6,448	4,877	Subsidiary
The Company	Herbray Biotech Ltd.	Taiwan	Biotech services	9,540	9,540	1,200,000	60.00%	(3,029)	(59)	(36)	Subsidiary

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

Investor name	Investee name	Location	Principle business lines	Original investment amount		Holding at period end			Current profit and loss of the investee company	Investment gains and losses recognized in the period	Remark
				Period end	End of last year	Quantity of shares	Ratio	Book value			
The Company	WILEYTEX Technology Co., Ltd.	Taiwan	Wholesale of cloths and fabrics	21,440	21,440	2,144,000	53.60%	(67,808)	(11,311)	(6,063)	Subsidiary
The Company	TEX-RAY (BELIZE)	Belize	Overseas investment and holding	1,063,287	1,063,287	32,348,213	100.00%	469,390	5,551	5,551	Subsidiary
The Company	TEX-RAY (BN)	Samoa	Overseas investment and holding	1,716,818	1,716,818	58,966,268	100.00%	(561,341)	(43,828)	(43,828)	Subsidiary
The Company	TEX-RAY (SA)	South Africa	Marketing and trading	102,704	102,704	39,651,771	100.00%	1,621,931	14,884	14,884	Subsidiary
The Company	TEX-RAY (CAYMAN)	Cayman Islands	Overseas investment and holding	1,305,211	1,305,211	42,662,722	100.00%	369,231	(4,892)	(4,892)	Subsidiary
The Company	AIQ SMART CLOTHING INC.	Taiwan	Wholesale of cloths and fabrics	163,512	163,512	11,503,200	70.44%	(131,712)	(17,448)	(12,290)	Subsidiary
The Company	Z-PLY	USA	Marketing and trading	314,490	314,490	200	100.00%	424,971	615	615	Subsidiary
The Company	TRLA GROUP	USA	Marketing and trading	42,109	42,109	2,936,000	100.00%	42,456	190	190	Subsidiary
The Company	FABRICFOUNDRY	Mauritius	Marketing and trading	9,723	9,723	30,000	100.00%	28,694	5,340	5,340	Subsidiary
TEX-RAY (BN)	GOOD TIME	Vietnam	Garment processing	227,750	227,750	-	100.00%	(20,650)	(967)	Disclosure Exempted	Grandson company
TEX-RAY (BN)	MSWATI	Mauritius	Overseas investment and holding	1,160,125	1,160,125	-	100.00%	(635,864)	(21,805)	Disclosure Exempted	Grandson company
TEX-RAY (BN)	TEXRAY (VN)	Vietnam	Garment processing	423,990	423,990	-	100.00%	85,457	(20,986)	Disclosure Exempted	Grandson company
TEX-RAY (BN)	TRCA GARMENT	Cambodia	Garment processing	87,361	87,361	-	100.00%	565	-	Disclosure Exempted	Grandson company
GREAT CPT INTERNATIONAL CO., LTD.	TEXRAY (SWAZILAND)	Eswatini	Garment processing	158,524	158,524	12,417,938	100.00%	636	41	Disclosure Exempted	Grandson company
King's Metal	King's (Holland)	the Netherlands	Marketing and trading	7,950	7,950	200,000	100.00%	19,082	1,396	Disclosure Exempted	Grandson company
AIQ SMART CLOTHING INC.	AIQ-S	UK	Development of Smart Clothing Technology	30,735	30,735	100,000	50.00%	(20,788)	(7,169)	Disclosure Exempted	Grandson company
TEX-RAY (CAYMAN)	TEXRAY (MEXICO)	Mexico	Dyeing & finishing	1,168,882	1,168,882	-	100.00%	332,103	(1,615)	Disclosure Exempted	Grandson company
TEXRAY (SA)	KASUMI (SWAZILAND)	Eswatini	Trading and manufacturing of dyeing, finishing, weaving, and finished garments	43,461	43,461	1,657,400	100.00%	395,513	(1,103)	Disclosure Exempted	Grandson company
TEXRAY (SA)	T.Q.M.(SWAZILAND)	Eswatini	Dyeing & finishing	569,316	569,316	132,525,183	100.00%	1,188,191	15,734	Disclosure Exempted	Grandson company
TEXRAY (SA)	U.I.W.(SWAZILAND)	Eswatini	Garment processing	47,508	47,508	12,031,000	100.00%	20,209	(273)	Disclosure Exempted	Grandson company
TEXRAY (SA)	J.M. (SWAZILAND)	Eswatini	Trading and manufacturing of dyeing, finishing, weaving, and finished garments	12,908	12,908	5,618,729	100.00%	7,884	(1,113)	Disclosure Exempted	Grandson company
TEXRAY (SA)	GOLDEN (SWAZILAND)	Eswatini	Garment processing	10,800	10,800	5,000,000	100.00%	58,450	2,532	Disclosure Exempted	Grandson company
TEXRAY (SA)	TEXRAY HOLDINGS	South Africa	Marketing and trading	857	857	500,000	100.00%	562	(496)	Disclosure Exempted	Grandson company

Note: The equity investments mentioned above which belong to subsidiaries have already been offset in the preparation of the consolidated financial report.

(III) Mainland investment information:

1. Information on the name and main business scope of the investee company in mainland China:

Name of investee company in mainland China	Principle business lines	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan	Outward remitted or repatriated investment amount in the period	Outward remitted	Repatriated	Accumulated investment amount remitted from Taiwan	Current profit and loss of the investee company	Shareholding ratio of the Company's direct or indirect	Recognized investment gains and losses in the period	Closing investment book value	Investment income repatriated at the end of the
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Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

				at the beginning of the period			at the end of the period		investments	(Note 2)		period
Tex-ray (Shanghai) Industrial Co., Ltd.	Textile warehousing, trading, distribution, display, and technology development businesses	\$ 282,574	(II)	282,574	-	-	282,574	5,565	100.00%	5,565	468,723	-
Tex-ray (Yencheng) Industrial Co., Ltd.	Manufacturing and sale of textiles, clothing, shoes, and hats	99,162	(III)	-	-	-	-	86	100.00%	86	(5,711)	-
Kunshan Dongyi	Development of laminated fabrics	168,268	(III)	-	-	-	-	(31)	100.00%	(31)	202,531	-
Jiangsu Texray	Ready to wear processing and engaging in spinning, weaving, high-end fabrics, dyeing, printing, and clothing production	1,749,139	(II)	1,235,108	-	-	1,235,108	(13,498)	100.00%	(13,498)	(333,948)	-
Tex-ray Apparel Co., Ltd.	Knitted garment processing	164,220	(II)	86,711	-	-	86,711	(9,094)	100.00%	(9,094)	(210,348)	-
Jingshi (Shanghai)	Wholesale of glass products, high-efficiency insulation materials, textiles, clothing, apparel and accessories	62,008	(II)	62,008	-	-	62,008	(3,839)	70.44%	(2,704)	(201)	-
AIQ (Zhejiang)	System R&D, production, and sales of AI equipment	36,739	(III)	-	-	-	-	(4,892)	70.44%	(3,446)	(90,696)	-
Henan Tex-ray Apparel Co., Ltd. (Note 3)	Garment processing	-	(II)	46,494	-	-	46,494	-	-%	-	-	-
Tex-ray Yueda Research Institute (Note 4)	Research and development of polymer composite materials and textile new materials technology	49,149	(III)	-	-	-	-	-	-%	-	-	-
Weida Inspection	Testing services and environmental impact assessment	31,065	(III)	-	-	-	-	131	100.00%	131	11,190	-
Shanghai Jinpeili (Note 5)	Weaving, dyeing, and post-processing of high-end fabrics, as well as sales of the Company's self-produced products	111,088	(II)	14,321	-	-	14,321	-	-%	-	-	-
Jianan Textile (Note 6)	Weaving, dyeing, and post-processing of high-end textile fabrics	29,613	(II)	29,613	-	-	29,613	-	-%	-	-	-

Note 1: There are three types of investment methods:

(I) Direct investment in mainland China.

(II) Reinvest in mainland China through a third-party company (please refer to Note 4(2) for details).

(III) Direct investment in a mainland company through reinvestment, and there is no need to report to the Investment Commission according to its regulations on reinvestment activities by mainland investment enterprises.

Note 2: Investment gains and losses are recognized using the equity method based on the financial information of the mainland investee company audited by the Taiwan parent company's certified public accountant during the same period.

Note 3: The company was deregistered in November 2015 and its share capital was repatriated back to its parent

Notes to consolidated financial report of TEX-RAY INDUSTRIAL CO., LTD. and subsidiaries

company MSWATI in March 2016.

Note 4: It was liquidated in October 2019.

Note 5: It was liquidated in December 2012.

Note 6: The sale change registration was completed in June 2012, but the investment amount was repatriated back to the parent company MSWATI.

Note 7: The figures in this table are presented in New Taiwan Dollars, and the exchange rate is based on those on March 31, 2025 (USD: 33.205; CNY: 4.5730)

2. Mainland China investment limit

The Company obtained the certification letter issued by the Ministry of Economic Affairs for its operating headquarters on June 19, 2024. The validity period is from June 11, 2024 to June 10, 2027, and there is no longer this restriction.

3. Material transaction matters:

For the consolidated company's significant transactions with investees in China from January 1 to March 31, 2025 (which have been written off when preparing the consolidated report), please refer to the description of "Information on Significant Transactions.

XIV. Department Information

From January to March 2025	Textile, Dyeing and Weaving Division	Garment Business Division	Machine Division	Metal Fiber Business Division	Other departments	Adjustment and offset	Total
Revenues							
Revenue from external customers	\$ 143,887	920,812	53,788	123,163	1,549	-	1,243,199
Inter-departmental income	56,178	673,660	-	33,891	25,712	(789,441)	-
Total Income	\$ 200,065	1,594,472	53,788	157,054	27,261	(789,441)	1,243,199
Reportable departments' profits and losses	\$ 8,563	21,286	8,056	21,732	(31,955)	-	27,682
From January to March 2024							
Revenues							
Revenue from external customers	\$ 86,653	974,284	60,893	114,292	1,853	-	1,237,975
Inter-departmental income	55,084	708,298	-	39,460	14,674	(817,516)	-
Total Income	\$ 141,737	1,682,582	60,893	153,752	16,527	(817,516)	1,237,975
Reportable departments' profits and losses	\$ (12,883)	70,244	4,543	18,011	(8,018)	-	71,897

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Note: The information on departmental assets and liabilities of the consolidated company has not been provided to the key management for reference or decision-making purposes, so there is no need to disclose departmental assets and liabilities.