

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

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

Q2 2025 and Q2 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 June 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three-month periods from April 1 to June 30, 2025 and 2024, and for the six-month periods from January 1 to June 30, 2025 and 2024, as well as the consolidated statements of changes in equity and cash flows for the six-month periods then ended, together with 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 June 30, 2025 and 2024, and their consolidated financial performance for the three-month periods from April 1 to June 30, 2025 and 2024, and for the six-month periods from January 1 to June 30, 2025 and 2024, as well as their consolidated cash flows for the six-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 made effective 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

August 13, 2025

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheet

June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NTD Thousand

		2025.6.30		2024.12.31		2024.6.30				2025.6.30		2024.12.31		2024.6.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets															
Current assets:															
1100	Cash and cash equivalents (Note 6(1))	\$ 1,256,942	15	2,240,133	26	2,391,955	28	2100	Short-term borrowings (Note 6(10))	\$ 1,463,742	18	1,466,911	17	1,446,290	17
1150	Notes receivable, net (Notes 6(3) and (19))	5,722	-	4,257	-	10,032	-	2110	Short-term notes payable (Note 6(11))	788,871	10	788,998	9	709,045	8
1170	Accounts receivable, net (Notes 6(3) and (19))	854,118	11	936,938	11	603,420	7	2130	Current contract liabilities (Notes 6(19) and 7)	81,417	1	105,907	1	142,821	2
1200	Other receivables	82,843	1	106,719	1	124,507	1	2150	Notes payable	528	-	1,990	-	2,697	-
1220	Current tax assets	18,127	-	8,689	-	2,908	-	2170	Accounts payable	392,374	5	459,005	5	524,681	6
1310	Inventories, manufacturing business (Note 6(4))	973,912	12	921,437	11	950,149	11	2200	Other receivables (Note 7)	257,098	3	323,907	4	282,148	3
1410	Prepayments	94,020	1	114,751	1	164,336	2	2220	Other payables - related party (Note 7)	129,273	2	85,434	1	75,335	1
1470	Other current assets	3,933	-	6,563	-	5,612	-	2230	Current tax liabilities	23,719	-	31,477	-	40,648	-
1476	Other current financial assets (Notes 6(9) and 8)	294,499	4	306,137	4	380,945	4	2280	Current lease liabilities (Note 6(13))	53,640	1	50,890	1	51,981	1
		<u>3,584,116</u>	<u>44</u>	<u>4,645,624</u>	<u>54</u>	<u>4,633,864</u>	<u>53</u>	2320	Long-term liabilities, current portion (Note 6(12))	172,876	2	159,366	2	141,756	2
								2300	Other current liabilities	17,487	-	8,811	-	17,130	-
										<u>3,381,025</u>	<u>42</u>	<u>3,482,696</u>	<u>40</u>	<u>3,434,532</u>	<u>40</u>
Non-current assets:															
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(2))	44,744	1	41,044	-	61,390	1		Non-current liabilities:						
1600	Property, plant and equipment (Notes 6(5) and 8)	1,799,976	22	1,896,267	22	1,887,363	22	2540	Long-term borrowings (Note 6(12))	1,909,160	23	1,969,195	23	1,929,410	22
1755	Right-of-use assets(Notes 6(6) and 8)	163,537	2	196,076	2	222,665	3	2570	Deferred tax liabilities	177,905	2	182,180	2	179,282	2
1760	Investment property, net (Notes 6(7) and 8)	1,471,504	18	1,493,161	17	1,524,790	17	2580	Non-current lease liabilities (Note 6(13))	72,425	1	102,348	1	128,145	2
1780	Intangible assets (Note 6(8))	240,591	3	264,660	3	263,332	3	2640	Net defined benefit liabilities-non-current	256	-	256	-	6,555	-
1840	Deferred tax assets	39,055	-	20,543	-	24,627	-	2670	Other non-current liabilities, others	7,308	-	7,634	-	6,217	-
1980	Other non-current financial assets (Notes 6(9) and 8)	778,976	10	135,331	2	37,079	-			<u>2,167,054</u>	<u>26</u>	<u>2,261,613</u>	<u>26</u>	<u>2,249,609</u>	<u>26</u>
1990	Other non-current assets, others	43,535	-	47,733	-	53,922	1		Total liabilities	<u>5,548,079</u>	<u>68</u>	<u>5,744,309</u>	<u>66</u>	<u>5,684,141</u>	<u>66</u>
		<u>4,581,918</u>	<u>56</u>	<u>4,094,815</u>	<u>46</u>	<u>4,075,168</u>	<u>47</u>		Equity attributable to owners of the parent (Note 6(17))						
								3110	Ordinary share	2,336,247	28	2,336,247	27	2,336,247	27
								3200	Capital surplus	253,184	3	254,520	3	254,267	3
								3300	Retained earnings	18,078	-	205,137	2	123,007	1
								3400	Other equity	(41,048)	-	94,353	1	188,478	2
								3500	Treasury stock	(26,145)	-	-	-	-	-
									Equity attributable to owners of the parent	<u>2,540,316</u>	<u>31</u>	<u>2,890,257</u>	<u>33</u>	<u>2,901,999</u>	<u>33</u>
								36XX	Non-controlling equity	77,639	1	105,873	1	122,892	1
									Total equity	<u>2,617,955</u>	<u>32</u>	<u>2,996,130</u>	<u>34</u>	<u>3,024,891</u>	<u>34</u>
Total assets		<u>\$ 8,166,034</u>	<u>100</u>	<u>8,740,439</u>	<u>100</u>	<u>8,709,032</u>	<u>100</u>	Total Liabilities and Equity		<u>\$ 8,166,034</u>	<u>100</u>	<u>8,740,439</u>	<u>100</u>	<u>8,709,032</u>	<u>100</u>

(Please refer to the attached notes to the consolidated financial report)

Chairman: Ray Lin

Manager: Tsung-Yi Lin

Accounting Supervisor: Chien-Chung Wu

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Income Statement

From April 1 to June 30, 2025 and 2024, and January 1 to June 30, 2025 and 2024

Unit: NTD Thousand

	From April to June 2025		From April to June 2024		From January to June 2025		From January to June 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (Notes 6(19))	\$ 1,142,737	100	1,024,242	100	2,385,936	100	2,262,217	100
5000 Operating costs (Notes 6(4) and (15))	945,957	83	795,137	78	1,963,045	82	1,795,144	79
5900 Gross profit	196,780	17	229,105	22	422,891	18	467,073	21
6000 Operating expenses (Notes 6(13), (15) and (20)):								
6100 Selling expenses	102,774	9	104,213	10	197,693	8	185,020	8
6200 Administrative expenses	107,415	9	119,292	12	218,931	9	230,566	10
6300 Commissions expense	22,900	2	18,683	2	44,234	2	37,931	2
6450 Reversal of expected credit losses (Note 6(3))	(4,091)	-	(5,771)	(1)	(11,004)	-	(9,888)	-
	228,998	20	236,417	23	449,854	19	443,629	20
6900 Net operating (loss) profit	(32,218)	(3)	(7,312)	(1)	(26,963)	(1)	23,444	1
7000 Non-operating income and expense (Note 6(21)):								
7010 Other income	2,777	-	3,125	-	5,666	-	6,131	-
7020 Other gains and losses	(175,767)	(15)	27,152	3	(147,846)	(6)	76,912	3
7100 Interest income	20,991	2	19,524	2	44,520	2	39,058	2
7510 Interest expense (Notes 6(13) and 7)	(29,711)	(3)	(30,950)	(3)	(61,623)	(3)	(62,109)	(3)
	(181,710)	(16)	18,851	2	(159,283)	(7)	59,992	2
7900 Net (loss) profit before tax	(213,928)	(19)	11,539	1	(186,246)	(8)	83,436	3
7950 Less: Income tax expense (Note 6(16))	(13,914)	(1)	8,765	1	9,061	-	51,034	2
Profit (loss)	(200,014)	(18)	2,774	-	(195,307)	(8)	32,402	1
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)	-
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	-	-	-	-	-	-	(9,245)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	(208,386)	(18)	51,831	5	(132,477)	(6)	116,461	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	(208,386)	(18)	51,831	5	(132,477)	(6)	116,461	5
8300 Current other comprehensive income	(208,386)	(18)	51,831	5	(132,477)	(6)	107,216	5
8500 Current total comprehensive income	\$ (408,400)	(36)	54,605	5	(327,784)	(14)	139,618	6
8600 Current net profit (loss) attributable to:								
8610 Owners of parent	\$ (191,802)	(17)	815	-	(187,059)	(8)	28,686	1
8620 Non-controlling equity	(8,212)	(1)	1,959	-	(8,248)	-	3,716	-
	\$ (200,014)	(18)	2,774	-	(195,307)	(8)	32,402	1
8700 Total comprehensive income attributable to owners of parent								
8710 Owners of parent	\$ (404,249)	(36)	52,863	5	(322,460)	(14)	137,486	6
8720 Non-controlling equity	(4,151)	-	1,742	-	(5,324)	-	2,132	-
	\$ (408,400)	(36)	54,605	5	(327,784)	(14)	139,618	6
Earnings (loss) per share (Note 6(18))								
9750 Basic earnings (loss) per share (NT\$)	\$ (0.83)		0.00		(0.80)		0.12	

(Please refer to the attached notes to the consolidated financial report)

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

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

From January 1 to June 30, 2025 and 2024

Unit: NTD Thousand

	Equity attributable to owners of the parent												
	Retained earnings					Other equity interest					Equity attributable to owners of the parent	Non-controlling equity	Total equity
	Ordinary share	Capital surplus	Legal reserve	Undistributed earnings	Total	Exchange differences on translation	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury stock				
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			
Net income	-	-	-	28,686	28,686	-	-	-	-	28,686	3,716	32,402	
Current other comprehensive income	-	-	-	-	-	117,135	(8,335)	-	-	108,800	(1,584)	107,216	
Current total comprehensive income	-	-	-	28,686	28,686	117,135	(8,335)	-	-	137,486	2,132	139,618	
The subsidiary distributes cash dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	-	(17,285)	(17,285)	
Balance on June 30, 2024	\$ 2,336,247	254,267	177,178	(54,171)	123,007	(782,924)	(118,223)	1,089,625	-	2,901,999	122,892	3,024,891	
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 loss in current period	-	-	-	(187,059)	(187,059)	-	-	-	-	(187,059)	(8,248)	(195,307)	
Current other comprehensive income	-	-	-	-	-	(135,401)	-	-	-	(135,401)	2,924	(132,477)	
Current total comprehensive income	-	-	-	(187,059)	(187,059)	(135,401)	-	-	-	(322,460)	(5,324)	(327,784)	
Allocation and distribution of earnings:													
Legal reserve appropriated	-	-	2,796	(2,796)	-	-	-	-	-	-	-	-	
Repurchase of treasury shares through the public market for shares of a subsidiary	-	(1,336)	-	-	-	-	-	-	-	(1,336)	(1,242)	(2,578)	
The subsidiary distributes cash dividends to the non-controlling interests	-	-	-	-	-	-	-	-	-	-	(21,668)	(21,668)	
Balance on June 30, 2025	\$ 2,336,247	253,184	179,974	(161,896)	18,078	(991,894)	(138,779)	1,089,625	(26,145)	2,540,316	77,639	2,617,955	

(Please refer to the attached notes to the consolidated financial report)

Chairman: Ray Lin

Manager: Tsung-Yi Lin

Accounting Supervisor: Chien-Chung Wu

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Cash Flow Statement

From January 1 to June 30, 2025 and 2024

Unit: NTD Thousand

	From January to June 2025	From January to June 2024
Cash flows from (used in) operating activities:		
Net (loss) income before tax in the current period	\$ (186,246)	83,436
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	103,890	106,405
Amortization expense	5,133	4,883
Reversal of expected credit losses	(11,004)	(9,888)
Interest expense	61,623	62,109
Interest income	(44,520)	(39,058)
Loss on disposal of property, plant and equipment	277	824
Profit from lease modification	-	(434)
Total adjustments to reconcile profit (loss)	115,399	124,841
Changes in operating assets and liabilities		
Changes in operating assets:		
Decrease (increase) in notes receivable	(1,257)	12,985
Decrease in accounts receivable	109,622	79,625
Decrease in other receivables	26,920	16,270
Decrease in inventory	(36,169)	(20,399)
Decrease (increase) in prepayments	18,529	(29,014)
Decrease in other current assets	2,693	1,082
Total changes in operating assets	120,338	60,549
Changes in operating liabilities:		
Decrease (increase) in contract liabilities	(25,191)	47,262
Decrease in notes payable	(1,462)	(4,565)
Increase (decrease) in accounts payable	(74,884)	75,656
Decrease in other payables	(66,869)	(32,211)
Increase (decrease) in other current liabilities	8,385	(2,771)
Decrease in net defined benefit liability	-	(199)
Increase (decrease) in other liabilities	(640)	5,407
Total changes in operating liabilities	(160,661)	88,579
Total changes in operating assets and liabilities	(40,323)	149,128
Total adjustments	75,076	273,969
Cash inflow (outflow) generated from operations	(111,170)	357,405
Interest received	44,520	39,058
Interest paid	(60,062)	(62,062)
Income tax paid	(74,938)	(34,253)
Net cash inflow (outflow) from operating activities	(201,650)	300,148

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

From January 1 to June 30, 2025 and 2024

Unit: NTD thousand

	From January to June 2025	From January to June 2024
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,700)	(13,280)
Acquisition of property, plant and equipment	(19,839)	(39,989)
Proceeds from disposal of property, plant and equipment	631	146
Acquisition of intangible assets	(193)	(493)
Increase in other financial assets	(598,808)	(154,307)
Increase in other non-current assets	(28,550)	(46,384)
Net cash outflow used in investing activities	(650,459)	(254,307)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,055,741	1,287,535
Decrease in short-term loans	(1,058,910)	(1,086,321)
Increase in short-term notes payable	789,873	1,549,763
Decrease in short-term notes payable	(790,000)	(1,550,000)
Proceeds from long-term debt	70,000	52,822
Repayments of long-term debt	(115,790)	(61,103)
Increase (decrease) in other payables - related parties	42,024	(149)
Payments of lease liabilities	(26,687)	(25,816)
Cost of repurchasing treasury stock	(26,145)	-
Change in non-controlling interests	(2,578)	-
Net cash flow from (used in) financing activities	(62,472)	166,731
Effect of exchange rate changes on cash and cash equivalents	(68,610)	76,695
Net increase (decrease) in cash and cash equivalents	(983,191)	289,267
Cash and cash equivalents at beginning of period	2,240,133	2,102,688
Cash and cash equivalents at end of period	\$ 1,256,942	2,391,955

(Please refer to the attached notes to the consolidated financial report)

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

TEX-RAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Report

Q2 2025 and Q2 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 August 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.

- Amendments to International Accounting Standard 17: Insurance contracts and to International Financial Reporting Standard 17.
- Amendments to International Financial Reporting Standards 9 and 7: Classification and amendment to measurement of financial instruments.

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

- Annual Improvements to IFRS Accounting Standards
- Amendments to International Financial Reporting Standard 9 and International Financial Reporting Standard 7: Contracts Involving Natural Power Sources.

(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.	<p>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.</p> <ul style="list-style-type: none"> • 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 International Financial Reporting 	January 1, 2027

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

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.
- International Financial Reporting Standard 19: Disclosures of Non-public accountability subsidiaries.

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 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

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

The subsidiaries included in the consolidated financial report include:

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.6.30	2024.12.31	2024.6.30	
The Company	TEX-RAY INDUSTRIAL CO., LTD. (BELIZE) (hereinafter referred to as the (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. (hereinafter referred to as the (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. (hereinafter referred to as the King's)	Secondary processing of non-woven fabrics and steel and retail of cloths and fabrics	59.45%	59.22%	59.22%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	Great CPT International Co., Ltd. (hereinafter referred to as the 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. (hereinafter referred to as the 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) (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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 (hereinafter referred to as the Z-PLY (NY))	Marketing and trading	100.00%	100.00%	100.00%	Subsidiaries in which the Company directly holds more than 50% of the shares
The Company	FABRICFOUNDRY TEXTILE (PTY) LTD. (hereinafter referred to as the 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

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

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.6.30	2024.12.31	2024.6.30	
TEX-RAY (SA)	KASUMI APPARELS SWAZILAND PTY LTD. (hereinafter referred to as the KASUMI (SWAZILAND))	Garment processing	100.00%	100.00%	100.00%	holds more than 50% of the shares (note 1)
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. (hereinafter referred to as the 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. (hereinafter referred to as the 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.(hereinafter referred to as the 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.(hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the TEXRAY (MEXICO))	Dyeing & finishing	100.00%	100.00%	100.00%	Subsidiaries in which TEX-RAY (CAYMAN) directly holds more than 50% of the shares
King's Metal	KING'S METAL FIBER TECHNOLOGIES B.V.(hereinafter referred to as the KING'S METAL (Netherlands))	Marketing and trading	100.00%	100.00%	100.00%	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. (hereinafter referred to as the 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. (hereinafter referred to as the 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

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

Investor name	Name subsidiary	Business nature	Percentage of shareholding			Description
			2025.6.30	2024.12.31	2024.6.30	
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.	Shanghai AIQ Intelligent Technology Co., Ltd. (hereinafter referred to as the Shanghai AIQ)	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 (Note 2)
AIQ SMART CLOTHING INC.	Zhejiang AIQ Smart Technology Co., Ltd. (hereinafter referred to as the 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 3)
Shanghai AIQ	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 3)
MSWATI	Jiangsu Nanwei Yueda Garments Co., Ltd. (hereinafter referred to as the 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. (hereinafter referred to as the 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. (hereinafter referred to as the 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
Tex-ray Apparel Co., Ltd.	Guangxi Nanwei Yueda Garments Co., Ltd. (hereinafter referred to as the Guangxi Nanwei)	Apparel production and sales	100.00%	- %	- %	Subsidiaries in which Tex-ray Apparel directly holds more than 50% of the shares (Note 4)

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: Effective June 12, 2025, Jing-Shi (Shanghai) Technology Trading Co., Ltd. was renamed Shanghai AIQ Intelligent Technology Co., Ltd.

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

Note 4: On May 26, 2025, Tex-Ray Apparel Co., Ltd. established Guangxi Nanwei as a wholly owned subsidiary. As of the financial reporting date, capital injection had not yet been made.

Note 5. 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, settlement, or other significant one-time events after that day.

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

(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>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Cash	\$ 5,455	6,695	4,595
Check deposits	9,329	4,618	7,271
Demand deposits	612,992	719,040	659,525
Foreign currency deposits	214,698	264,483	257,085
Time deposits	396,305	1,225,555	1,463,479
Repurchase agreements	18,163	19,742	-
	<u>\$ 1,256,942</u>	<u>2,240,133</u>	<u>2,391,955</u>

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

Please refer to Note 6(22) 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

	2025.6.30	2024.12.31	2024.6.30
Equity instruments measured at fair value through other comprehensive income:			
Unlisted domestic and foreign stocks	\$ 44,744	41,044	61,390

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 June 30, 2025 and 2024, and no accumulated gains or losses were transferred within equity during those periods.
3. Please refer to Note 6(22) 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

	2025.6.30	2024.12.31	2024.6.30
Accounts receivable - incurred due to business operations	\$ 5,722	4,257	10,032
Accounts receivable - measured at amortized cost	906,079	1,017,990	682,371
Less: Loss allowance	(51,961)	(81,052)	(78,951)
	\$ 859,840	941,195	613,452

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**

	2025.6.30		
	Accounts receivable and their book value	Expected credit loss rate during the existence period	Expected credit losses during the loss allowance period
Not overdue	\$ 726,996	0%~1.03%	257
Overdue for less than 90 days	124,092	0%~4.25%	614
Overdue for 90~180 days	12,042	0%~41.49%	2,438
Overdue for 180~360 days	38	0%~50%	19
Overdue for more than 360 days	<u>48,633</u>	100%	<u>48,633</u>
	<u>\$ 911,801</u>		<u>51,961</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>
	2024.6.30		
	Accounts receivable and their book value	Expected credit loss rate during the existence period	Expected credit losses during the loss allowance period
Not overdue	\$ 538,286	0%~0.06%	45
Overdue for less than 90 days	71,341	0%~0.06%	7
Overdue for 90~180 days	4,068	10%~33%	412
Overdue for 180~360 days	444	50%~100%	223
Overdue for more than 360 days	<u>78,264</u>	100%	<u>78,264</u>
	<u>\$ 692,403</u>		<u>78,951</u>

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

	From January to June 2025	From January to June 2024
Balance at beginning of period	\$ 81,052	90,870
Reversal of recognized impairment	(11,004)	(9,888)
Amount written off this year due to unrecoverability	(12,783)	(4,342)
translation gain or loss	(5,304)	2,311
Balance at end of period	\$ 51,961	78,951

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

(IV) Inventory

	2025.6.30	2024.12.31	2024.6.30
Raw materials	\$ 273,264	288,879	324,433
Current work in progress	553,105	480,411	476,344
Current finished goods	132,240	140,971	131,540
Products	15,303	11,176	17,832
	\$ 973,912	921,437	950,149

1. The inventory costs recognized as cost of goods sold and expenses for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, amounted to NT\$960,067 thousand, NT\$786,071 thousand, NT\$1,980,690 thousand, and NT\$1,781,965 thousand, respectively. For the periods from April 1 to June 30 and January 1 to June 30, 2025, gains of NT\$14,110 thousand and NT\$17,645 thousand, respectively, were recognized from the recovery of inventory write-downs. For the periods from April 1 to June 30 and January 1 to June 30, 2024, losses of NT\$9,066 thousand and NT\$13,179 thousand, respectively, were recognized from inventory written down to net realizable value. The aforementioned inventory write-down losses and recovery gains were reported under cost of goods sold.
2. The inventories of the consolidated company have not been pledged as collateral.

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

(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	Transport ation 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	-	1,905	14,971	1,604	632	-	313	414	19,839
Transferred in	-	-	32,447	1,782	165	-	-	-	34,394
Disposal	-	-	(11,565)	(308)	(273)	-	-	-	(12,146)
Effect of changes in foreign exchange rate	(2,611)	(94,938)	(69,674)	(2,338)	(7,433)	-	(2,148)	(1,265)	(180,407)
Balance on June 30, 2025	<u>\$ 491,338</u>	<u>1,514,410</u>	<u>1,091,084</u>	<u>36,837</u>	<u>93,283</u>	<u>444</u>	<u>98,039</u>	<u>10,193</u>	<u>3,335,628</u>
Balance on January 1, 2024	\$ 465,439	1,548,131	1,044,941	34,670	129,796	444	118,754	4,238	3,346,413
Addition	-	2,923	23,564	2,825	403	-	2,794	7,480	39,989
Transferred in	-	18,905	3,935	54	147	-	-	-	23,041
Disposal	-	-	(13,382)	(1,630)	(33,397)	-	(27,012)	-	(75,421)
Effect of changes in foreign exchange rate	715	26,189	29,995	952	2,490	-	2,224	235	62,800
Balance on June 30, 2024	<u>\$ 466,154</u>	<u>1,596,148</u>	<u>1,089,053</u>	<u>36,871</u>	<u>99,439</u>	<u>444</u>	<u>96,760</u>	<u>11,953</u>	<u>3,396,822</u>
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	-	30,799	38,240	2,001	2,334	-	3,926	-	77,300
Disposal	-	-	(10,804)	(168)	(266)	-	-	-	(11,238)
Effect of changes in foreign exchange rate	-	(42,432)	(55,503)	(1,692)	(6,535)	-	(1,929)	-	(108,091)
Balance on June 30, 2025	<u>\$ -</u>	<u>577,345</u>	<u>785,132</u>	<u>24,080</u>	<u>81,317</u>	<u>444</u>	<u>67,334</u>	<u>-</u>	<u>1,535,652</u>
Balance on January 1, 2024	\$ -	508,595	740,134	23,193	111,812	444	83,277	-	1,467,455
Current depreciation	-	33,447	36,579	1,973	2,885	-	3,871	-	78,755
Disposal	-	-	(12,447)	(1,598)	(33,394)	-	(27,012)	-	(74,451)
Effect of changes in foreign exchange rate	-	12,059	20,937	696	1,893	-	2,115	-	37,700
Balance on June 30, 2024	<u>\$ -</u>	<u>554,101</u>	<u>785,203</u>	<u>24,264</u>	<u>83,196</u>	<u>444</u>	<u>62,251</u>	<u>-</u>	<u>1,509,459</u>
Book value:									
January 1, 2025	<u>\$ 493,949</u>	<u>1,018,465</u>	<u>311,706</u>	<u>12,158</u>	<u>14,408</u>	<u>-</u>	<u>34,537</u>	<u>11,044</u>	<u>1,896,267</u>
June 30, 2025	<u>\$ 491,338</u>	<u>937,065</u>	<u>305,952</u>	<u>12,757</u>	<u>11,966</u>	<u>-</u>	<u>30,705</u>	<u>10,193</u>	<u>1,799,976</u>
January 1, 2024	<u>\$ 465,439</u>	<u>1,039,536</u>	<u>304,807</u>	<u>11,477</u>	<u>17,984</u>	<u>-</u>	<u>35,477</u>	<u>4,238</u>	<u>1,878,958</u>
June 30, 2024	<u>\$ 466,154</u>	<u>1,042,047</u>	<u>303,850</u>	<u>12,607</u>	<u>16,243</u>	<u>-</u>	<u>34,509</u>	<u>11,953</u>	<u>1,887,363</u>

**Notes to consolidated financial report of
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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:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportati on equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance on January 1, 2025	\$ 114,209	249,058	4,503	367,770
Addition	-	6,632	631	7,263
Disposal	-	(6,465)	(1,509)	(7,974)
Effect of changes in foreign exchange rate	(9,098)	(13,377)	5	(22,470)
Balance on June 30, 2025	<u>\$ 105,111</u>	<u>235,848</u>	<u>3,630</u>	<u>344,589</u>
Balance on January 1, 2024	\$ 110,870	248,056	3,257	362,183
Addition	-	6,170	591	6,761
Reduction	-	(14,088)	(1,167)	(15,255)
Lease modification	1,117	130	-	1,247
Effect of changes in foreign exchange rate	1,604	12,336	32	13,972
Balance on June 30, 2024	<u>\$ 113,591</u>	<u>252,604</u>	<u>2,713</u>	<u>368,908</u>
Accumulated depreciation of right- of-use assets:				
Balance on January 1, 2025	\$ 36,710	133,235	1,749	171,694
Provision of depreciation	3,574	22,354	662	26,590
Disposal	-	(6,465)	(1,107)	(7,572)
Effect of changes in foreign exchange rate	(2,456)	(7,207)	3	(9,660)
Balance on June 30, 2025	<u>\$ 37,828</u>	<u>141,917</u>	<u>1,307</u>	<u>181,052</u>

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Balance on January 1, 2024	\$	28,974	96,625	1,730	127,329
Provision of depreciation		3,617	23,515	518	27,650
Reduction		-	(13,356)	(1,167)	(14,523)
Effect of changes in foreign exchange rate		328	5,441	18	5,787
Balance on June 30, 2024	\$	32,919	112,225	1,099	146,243
Book value:					
January 1, 2025	\$	77,499	115,823	2,754	196,076
June 30, 2025	\$	67,283	93,931	2,323	163,537
January 1, 2024	\$	81,896	151,431	1,527	234,854
June 30, 2024	\$	80,672	140,379	1,614	222,665

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		(12,259)	(9,398)	(21,657)
June 30, 2025	\$	1,154,338	317,166	1,471,504
January 1, 2024	\$	1,200,863	325,983	1,526,846
Effect of changes in foreign exchange rate		(2,180)	124	(2,056)
June 30, 2024	\$	1,198,683	326,107	1,524,790

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.

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(VIII) Intangible assets

	Patents and trademarks	Goodwill	Computer software cost	Other intangible assets	Total
Book value:					
January 1, 2025	\$ 38,477	216,545	9,620	18	264,660
June 30, 2025	\$ 35,071	198,245	7,257	18	240,591
January 1, 2024	\$ 22,103	205,624	12,918	616	241,261
June 30, 2024	\$ 37,094	214,787	11,150	301	263,332

There was no significant addition, disposal, impairment recognition or reversal of the intangible assets of the consolidated company during the six months ended June 30, 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) Other financial assets

	2025.6.30	2024.12.31	2024.6.30
Time deposits with a term of more than \$ three months	658,368	10,493	-
Pledge of certificates of deposit	393,276	391,307	382,610
Restricted demand deposits	12,258	29,590	24,985
Refundable deposits	9,573	10,078	10,429
	\$ 1,073,475	441,468	418,024
Current	\$ 294,499	306,137	380,945
Non-current	778,976	135,331	37,079
	\$ 1,073,475	441,468	418,024

(X) Short-term loans

	2025.6.30	2024.12.31	2024.6.30
Unsecured bank loans	\$ 828,315	611,431	587,419
Unsecured non-financial institution loans	25,000	25,000	25,000
Secured bank loans	610,427	830,480	833,871
Total	\$ 1,463,742	1,466,911	1,446,290
Credit line not yet used	\$ 952,770	1,098,639	1,080,315
Interest rate range	1.98%~4.75%	1.69%~4.75%	1.97%~5.03%

1. The amounts added for the six-month periods ended June 30, 2025 and 2024 were NT\$1,055,741 thousand and NT\$1,287,535 thousand, respectively, and the amounts repaid were NT\$1,058,910 thousand and NT\$1,086,321 thousand, respectively.

2. Please refer to Note 8 for details on the guarantee situation of the consolidated company

**Notes to consolidated financial report of
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using assets as collateral for bank loans.

(XI) Short-term notes payable

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Commercial paper payable	\$ 790,000	790,000	710,000
Less: Discounts not amortized	(1,129)	(1,002)	(955)
Net amount	<u>\$ 788,871</u>	<u>788,998</u>	<u>709,045</u>
Interest rate range	2.178%~2.398%	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 for the six-month periods ended June 30, 2025 and 2024 increased by NT\$789,873 thousand and NT\$1,549,763 thousand, respectively, and were repaid in the amounts of NT\$790,000 thousand and NT\$1,550,000 thousand, respectively. Interest expense: Please refer to Note 6(21).
3. Please refer to Note 8 for details on the collateral arrangements involving assets pledged to secure the short-term notes payable.

(XII) Repayments of long-term debt

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Guaranteed non-financial institution loans	\$ 130,931	136,957	39,000
Unsecured bank loans	54,017	48,066	74,032
Secured bank loans	1,897,823	1,945,131	1,959,951
Less: current portion	(172,876)	(159,366)	(141,756)
Loan handling fee	(735)	(1,593)	(1,817)
Net amount	<u>\$ 1,909,160</u>	<u>1,969,195</u>	<u>1,929,410</u>
Credit line not yet used	<u>\$ 228,000</u>	<u>178,000</u>	<u>198,000</u>
Interest rate range	2.225%~4.80%	2.225%~4.80%	2.225%~4.8%
Maturity intervals	114.08~125.05	114.08~125.05	113.07~125.05

1. The amounts added for the six-month periods ended June 30, 2025 and 2024 were NT\$70,000 thousand and NT\$52,822 thousand, respectively, and the amounts repaid were NT\$115,790 thousand and NT\$61,103 thousand, respectively.
2. 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

**Notes to consolidated financial report of
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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.

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

(XIII) Lease liabilities

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current	<u>\$ 53,640</u>	<u>50,890</u>	<u>51,981</u>
Non-current	<u>\$ 72,425</u>	<u>102,348</u>	<u>128,145</u>

Please refer to Note 6(22) Financial Instruments for the detailed maturity analysis.

The amounts recognized in profit or loss are as follows:

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Interest expenses on lease liabilities	<u>\$ 984</u>	<u>1,387</u>	<u>2,053</u>	<u>2,731</u>
Expenses of low-value leased assets (excluding low-value short-term leases)	<u>\$ 3,353</u>	<u>4,250</u>	<u>7,866</u>	<u>7,441</u>

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

	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Total cash outflow from leasing	<u>\$ 36,606</u>	<u>35,988</u>

Please refer to Note 6(21) for the rental income received from investment property leases and leased assets for the periods from January 1 to June 30, 2025 and 2024.

(XIV) Operating leases

The consolidated company did not enter into any significant new operating lease contracts during the six-month periods ended June 30, 2025 and 2024. Please refer to Note 6(14) of the 2024 consolidated financial statements for relevant information.

(XV) 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

**Notes to consolidated financial report of
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actuarial valuations as of December 31, 2024 and 2023.

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

	From April to June 2025	From April to June 2024	From January to June 2025	From January to June 2024
Operating cost	\$ 32	27	65	54
Selling expenses	12	45	29	85
Administrative expenses	9	15	17	30
Commissions expense	12	22	23	44
	\$ 65	109	134	213

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 April to June 2025	From April to June 2024	From January to June 2025	From January to June 2024
Operating cost	\$ 3,957	4,235	8,378	8,534
Selling expenses	1,482	1,764	3,228	3,555
Administrative expenses	2,941	2,875	6,277	5,957
Commissions expense	550	583	1,106	1,161
	\$ 8,930	9,457	18,989	19,207

(XVI) Income tax

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

	From April to June 2025	From April to June 2024	From January to June 2025	From January to June 2024
Current income tax expense				
Occurred in the current period	\$ 13,512	7,069	32,144	46,456
Adjustment to the income tax for the previous period	-	(871)	-	(871)
	<u>13,512</u>	<u>6,198</u>	<u>32,144</u>	<u>45,585</u>
Deferred income tax expense				

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Occurrence and reversal of temporary differences	(27,426)	2,567	(23,083)	5,449
Income tax expenses	\$ (13,914)	8,765	9,061	51,034

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.

(XVII) Capital and other equity

Except as disclosed below, there were no significant changes in capital and other equity of the consolidated company during the six-month periods ended June 30, 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:

	2025.6.30	2024.12.31	2024.6.30
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 subsidiaries	2,433	3,769	3,516
Gifts from shareholders	254	254	254
	\$ 253,184	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

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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 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.

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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 resolved not to distribute dividends at the shareholders' meetings held on June 13, 2025 and June 14, 2024. Please visit the MOPS for relevant information.

(4) Treasury Shares

From January 1 to June 30, 2025, the Company repurchased a total of 2,950 thousand shares as treasury shares for transfer to employees in accordance with Paragraph 1, Subparagraph 1, Article 28-2 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and TPEX-Listed Companies" promulgated by the Financial Supervisory Commission. As of June 30, 2025, the number of shares not yet retired was 2,950 thousand.

Pursuant to the Company Act, treasury shares held by the Company do not carry shareholder rights until transferred.

(XVIII) Earnings (loss) per share

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

	From April to June 2025	From April to June 2024	From January to June 2025	From January to June 2024
Basic earnings (loss) per share				
(NT\$)				
Net (loss) profit attributable to ordinary equity holders of the Company	\$ (191,802)	815	(187,059)	28,686
Weighted average number of outstanding ordinary shares (in thousands)	231,613	233,625	232,619	233,625
	\$ (0.83)	0.00	(0.80)	0.12

The Company did not disclose diluted earnings per share for the six months ended June 30, 2025 and for the period January 1, 2024 to June 30, 2024, as there was no dilutive effect.

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(XIX) Revenue from customer contracts

1. Breakdown of income

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Major regional markets:				
Taiwan	\$ 66,504	43,006	150,751	129,896
Americas	483,091	382,524	1,046,077	1,049,492
Asia	271,363	284,752	563,026	488,624
Africa	205,203	253,130	434,388	478,954
Other countries	116,576	60,830	191,694	115,251
	<u>\$ 1,142,737</u>	<u>1,024,242</u>	<u>2,385,936</u>	<u>2,262,217</u>

2. Contract balance

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Notes receivable	\$ 5,722	4,257	10,032
Accounts receivable	906,079	1,017,990	682,371
Less: Loss allowance	(51,961)	(81,052)	(78,951)
	<u>\$ 859,840</u>	<u>941,195</u>	<u>613,452</u>
Contract liabilities	<u>\$ 81,417</u>	<u>105,907</u>	<u>142,821</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.

(XX) Employee and director remuneration

On June 13, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. Under the amended Articles, if the Company has annual profits, 2% shall be appropriated as employee remuneration, of which no less than 50% must be used for salary adjustments or bonuses for grassroots employees. The distribution method, either in cash or shares, shall be determined by the Board of Directors, and the recipients may include employees of subsidiaries who meet certain criteria. The Company may also, by resolution of the Board of Directors, appropriate no more than 2% of the above profit amount as directors' remuneration. Prior to the amendment, the Articles provided that if the Company had annual profits, 2% should be allocated as employee remuneration, to be distributed in cash or shares as resolved by the Board of Directors. The recipients could include employees of subsidiaries who met certain conditions, and the Company could also, by Board resolution, appropriate no

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more than 2% of the above profit amount as directors' remuneration. 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.

The net loss before tax and accumulated loss for the periods from January 1 to June 30, 2025 and 2024 were not estimated, so employees' compensation and Directors' remuneration were not estimated.

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.

(XXI) Non-operating income and expenses

1. Other income

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Rental income	<u>\$ 2,777</u>	<u>3,125</u>	<u>5,666</u>	<u>6,131</u>

2. Other gains and losses

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Losses on disposals of property, plant and equipment	\$ (195)	(826)	(277)	(824)
(Loss) gain on foreign currency exchange	(178,622)	25,401	(145,955)	74,786
Miscellaneous income	4,227	5,363	7,895	8,907
Miscellaneous disbursements	<u>(1,177)</u>	<u>(2,786)</u>	<u>(9,509)</u>	<u>(5,957)</u>
	<u>\$ (175,767)</u>	<u>27,152</u>	<u>(147,846)</u>	<u>76,912</u>

3. Interest income

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Interest income				
Bank deposit interest	\$ 20,992	19,518	44,480	38,984
Overdue account interest	(1)	3	28	30

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Deposit interest	-	3	12	44
calculated				
	\$ 20,991	19,524	44,520	39,058

4. Interest expense

	From April to June 2025	From April to June 2024	From January to June 2025	From January to June 2024
Loan interest	\$ 28,727	29,563	59,570	59,378
Amortization of lease liabilities	984	1,387	2,053	2,731
	\$ 29,711	30,950	61,623	62,109

(XXII) 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.

	Book value	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
June 30, 2025							
Non-derivative financial liabilities							
Secured loans	\$ 2,639,181	2,867,396	686,624	179,492	632,820	1,188,822	179,638
Unsecured loans	907,332	914,867	662,514	226,867	23,761	1,725	-
Short-term notes payable	788,871	790,000	790,000	-	-	-	-
Accounts payable	779,273	779,273	779,273	-	-	-	-
Lease liabilities	126,065	131,843	29,529	27,405	55,788	19,121	-
	\$ 5,240,722	5,483,379	2,947,940	433,764	712,369	1,209,668	179,638
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	-
	\$ 5,409,637	5,704,957	2,894,532	569,048	299,040	1,746,502	195,835
June 30, 2024							

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Non-derivative financial
liabilities

Secured loans	\$ 2,832,822	3,058,157	723,639	277,718	184,258	815,041	1,057,501
Unsecured loans	686,451	692,823	508,513	149,070	28,129	7,111	-
Short-term notes payable	709,045	710,000	710,000	-	-	-	-
Accounts payable	884,861	884,861	884,861	-	-	-	-
Lease liabilities	180,126	191,153	29,484	27,388	55,590	76,259	2,432
	<u>\$ 5,293,305</u>	<u>5,536,994</u>	<u>2,856,497</u>	<u>454,176</u>	<u>267,977</u>	<u>898,411</u>	<u>1,059,933</u>

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:

	2025.6.30			2024.12.31			2024.6.30		
	Foreign currency	Exchang e rate	NTD	Foreign currenc y	Exchang e rate	NTD	Foreign currenc y	Exchang e rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
NTD:USD	\$ 45,848	29.3000	1,343,344	43,896	32.7850	1,439,127	40,237	32.4500	1,305,679
Eswatini dollar:USD	283	17.7620	8,269	464	18.8324	15,196	523	18.1818	16,996
RMB:USD	3,414	7.1672	100,115	3,152	7.2985	103,017	1,821	7.2675	58,840
EUR:TWD	1,559	34.3500	53,561	1,171	31.1400	39,984	1,491	34.7100	51,759
JPY:USD	110,937	0.2034	22,565	90,776	0.2099	19,054	149,103	0.2017	30,074
RMB:NTD	2,223	4.0910	9,092	1,751	4.7780	7,841	1,095	4.4450	4,867
<u>Financial liabilities</u>									
<u>Monetary items</u>									
NTD:USD	4,684	29.3000	137,229	5,226	32.7850	171,323	5,555	32.4500	180,248
RMB:USD	3,082	7.1672	90,365	3,167	7.2985	103,492	3,009	7.2675	97,218

(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 June 30, 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 six-month periods ended June 30, 2025 and 2024 would have increased or decreased by NT\$13,094 thousand and NT\$11,907 thousand, respectively.

(3) Exchange gains and losses of monetary items

**Notes to consolidated financial report of
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Due to the wide variety of functional currencies within the consolidated group, information on exchange gains and losses on monetary items is disclosed on an aggregated basis. Foreign exchange gains and losses (including realized and unrealized amounts) for the three-month periods ended June 30, 2025 and 2024 were losses of NT\$178,622 thousand, gains of NT\$25,401 thousand, losses of NT\$145,955 thousand, and gains of NT\$74,786 thousand, respectively.

3. Interest rate analysis

The book value of financial assets and financial liabilities of the consolidated company that were exposed to interest rate exposure on the reporting date are as follows:

	Fixed rate instruments		Variable interest rate tool	
	2025.6.30	2024.6.30	2025.6.30	2024.6.30
Financial assets	\$ 1,466,112	1,817,158	839,948	970,526
Financial liabilities	(1,200,140)	(1,028,506)	(3,390,582)	(3,455,273)
	\$ 265,972	788,652	(2,550,634)	(2,484,747)

The following sensitivity analysis is determined based on the interest rate exposure of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding on the reporting date remains outstanding throughout the year. The change rate used by the consolidated company to report interest rates to the main management is a 1% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable and possible range of interest rate changes.

If interest rates increased or decreased by 1%, and all other variables remained constant, the consolidated company's pre-tax profit for the six-month periods ended June 30, 2025 and 2024 would increase or decrease by NT\$12,753 thousand and NT\$12,424 thousand, respectively, primarily due to the consolidated company's variable interest rate borrowings.

4. Fair value information

(1) Types and fair value of financial instruments

	2025.6.30				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income					
Domestic non-listed stocks	\$ 44,744	-	-	44,744	44,744

**Notes to consolidated financial report of
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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 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:

	<u>Equity instruments without publicly quoted prices</u>
January 1, 2025	\$ 41,044
Purchase	<u>3,700</u>
June 30, 2025	<u>\$ 44,744</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	<u>1,094</u>
June 30, 2024	<u>\$ 61,390</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 June 30, 2025 and 2024 are as follows:

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

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

(5) Transfer between levels

From January 1 to June 30, 2025 and 2024, there was no transfer of the financial instruments held by the consolidated company.

(XXIII) 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.

(XXIV) 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 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.
Feng-Ying Yeh	A key management person of the Company.
Wan-Kuei Yao	A key management person of the Company.

**Notes to consolidated financial report of
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(II) Material transactions with related parties

1. Borrowing from key management and other related parties

Recognized as other accounts payable - related parties	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Key management person of the consolidated company - Feng-Ying Yeh	\$ 105,000	60,000	50,000
Key management person of the consolidated company - Wan-Kuei Yao	12,000	12,000	12,000
Other Related Parties - Tex-Ray Yancheng Composite materials	<u>12,273</u>	<u>13,434</u>	<u>13,335</u>
	<u>\$ 129,273</u>	<u>85,434</u>	<u>75,335</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>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Interest payable (recognized as other management payables)	Key person of the consolidated company	<u>\$ 928</u>	<u>689</u>	<u>535</u>

<u>Accounting subject</u>	<u>Category of related party</u>	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Interest expense	Key management person of the consolidated company	<u>\$ 923</u>	<u>593</u>	<u>1,577</u>	<u>1,117</u>

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:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Other Related Parties	<u>\$ 690</u>	<u>690</u>	<u>690</u>

**Notes to consolidated financial report of
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(III) Transactions of key management

The key management's remuneration includes:

	<u>From April to June 2025</u>	<u>From April to June 2024</u>	<u>From January to June 2025</u>	<u>From January to June 2024</u>
Short-term employee benefits	\$ 3,772	4,012	8,034	8,025
Post-retirement benefits	135	178	294	356
	<u>\$ 3,907</u>	<u>4,190</u>	<u>8,328</u>	<u>8,381</u>

VIII. Pledged Assets

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

<u>Asset name</u>	<u>Subject matter pledge</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Other current and non-current financial assets	Long-term and short-term borrowings and customs deposits	\$ 405,534	420,897	407,595
Property, plant and equipment	Long-term and short-term borrowings and short-term notes payable	1,140,122	1,225,107	1,115,580
Investment property	Long-term borrowing	1,161,638	1,179,026	1,172,420
Right-of-use assets	Short-term loans	53,409	60,830	61,576
		<u>\$ 2,760,703</u>	<u>2,885,860</u>	<u>2,757,171</u>

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Significant unrecognized contractual commitments:

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

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
USD	<u>\$ 483</u>	<u>1,113</u>	<u>40,635</u>
EUR	<u>\$ 17,206</u>	<u>19,079</u>	<u>25,685</u>

X. Major Disaster Losses: None.

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

**Notes to consolidated financial report of
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XII. Others

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

Function type Nature	From April to June 2025			From April to June 2024		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee benefit expense						
Salaries expense	\$ 140,085	113,115	253,200	139,102	107,124	246,226
Labor and national health insurance expenses	8,710	7,144	15,854	8,061	7,627	15,688
Pension expense	3,989	5,006	8,995	4,262	5,304	9,566
Other employee benefit expenses	5,555	4,418	9,973	5,852	5,024	10,876
Depreciation expense	30,522	19,045	49,567	31,170	22,577	53,747
Amortization expense	140	2,326	2,466	402	2,035	2,437

Function type Nature	From January to June 2025			From January to June 2024		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee benefit expense						
Salaries expense	\$ 277,100	223,808	500,908	251,925	205,669	457,594
Labor and national health insurance expenses	18,631	14,829	33,460	16,903	15,737	32,640
Pension expense	8,443	10,680	19,123	8,588	10,832	19,420
Other employee benefit expenses	10,862	10,381	21,243	10,320	10,356	20,676
Depreciation expense	61,443	42,447	103,890	61,820	44,585	106,405
Amortization expense	444	4,689	5,133	827	4,056	4,883

**Notes to consolidated financial report of
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XIII. Disclosure Notes

(I) Significant transaction information

For the six months ended June 30, 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	35,160	35,160	1.00%	2	-	Operating revenue turnover	-	-	-	1,016,126	1,016,126
0	The Company	Jiangsu Texray	"	Yes	98,460	58,600	29,300	4.00%	2	-	Operating revenue turnover	-	-	-	1,016,126	1,016,126
0	The Company	AIQ-S	"	Yes	77,368	68,269	58,395	4.00%	2	-	Operating revenue turnover	-	-	-	1,016,126	1,016,126
1	Z-PLY(NY)	Jiangsu Texray	"	Yes	132,820	117,200	117,200	2.50%	2	-	Operating revenue turnover	-	-	-	216,220	324,330
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	"	Yes	274,539	245,241	203,836	5.50%	2	-	Operating revenue turnover	-	-	-	425,207	637,811
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-ray Apparel Co., Ltd.	"	Yes	91,513	81,747	-	5.50%	2	-	Operating revenue turnover	-	-	-	425,207	637,811
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	"	Yes	68,635	61,310	60,002	5.00%	2	-	Operating revenue turnover	-	-	-	170,083	170,083
3	TEX-RAY (CAYMAN)	TEX-RAY (MEXICO)	"	Yes	49,808	-	-	0.00%	2	-	Operating revenue turnover	-	-	-	348,092	522,138
4	TEX-RAY (MEXICO)	TEX-RAY (CAYMAN)	"	Yes	102,550	102,550	-	4.00%	2	-	Operating revenue turnover	-	-	-	314,202	471,304

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\$ 2,540,316 thousand \times 40% = NT\$ 1,016,126 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\$2,540,316 thousand \times 40%=NT\$1,016,126 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.

**Notes to consolidated financial report of
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2. Endorse and guarantee for others:

No.	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 net worth in the most recent financial statements	Upper limit of endorsement/ guarantee	Endorsement/ guarantee provided by the parent to subsidiary	Endorsement/ guarantee provided by the subsidiary to parent	Endorsement/ guarantee in mainland China
		Name of the company	Relationship (Note 1)										
0	The Company	Jiangsu Texray	2	\$ 1,270,158	1,054,458	931,447	420,365	355,749	36.67%	2,540,316	Y	N	Y
0	The Company	Tex-ray Apparel Co., Ltd.	2	1,270,158	167,668	136,260	50,508	87,900	5.36%	2,540,316	Y	N	Y
0	The Company	TEX-RAY(VN)	2	1,270,158	49,808	43,950	-	-	1.73%	2,540,316	Y	N	N
0	The Company	Tex-ray (Shanghai) Industrial Co., Ltd.	2	1,270,158	109,816	98,096	50,479	-	3.86%	2,540,316	Y	N	Y
0	The Company	TAIWAN SUPERCRITICAL TECHNOLOGY CO., LTD.	2	1,270,158	20,000	20,000	-	-	0.79%	2,540,316	Y	N	N
0	The Company	AIQ SMART CLOTHING INC.	2	1,270,158	171,000	171,000	87,630	28,525	6.73%	2,540,316	Y	N	N
0	The Company	WILEYTEX Technology Co., Ltd.	2	1,270,158	280,000	280,000	120,620	23,133	11.02%	2,540,316	Y	N	N
1	Tex-ray (Shanghai) Industrial Co., Ltd.	Kunshan Dongyi	2	425,207	45,756	40,874	25,110	-	9.61%	637,811	N	N	Y
2	Jiangsu Texray	Tex-ray Apparel Co., Ltd.	4	1,270,158	183,026	163,494	163,494	186,576	6.44%	2,540,316	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\$2,540,316 thousand x 100%=NT\$2,540,316 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\$2,540,316 thousand x 50%=NT\$1,270,158 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.

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

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 securities	Accounting subject	End of period				Remark
				No. of shares (in thousands)	Book value	Shareholding	Fair value	
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	14.40 %	18,272	Note
"	Uniigym Global	-	"	313	-	2.80 %	-	-
"	EAI TECHNOLOGIES INC.	-	"	1,652	17,010	15.02 %	19,591	-
"	SEN JEWEL TECHNOLOGY CO., LTD.	-	"	950	6,190	19.00 %	8,831	-
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	\$ (336,845)	(14.32)%	45 days	-	-	53,233	21.60%	
T.Q.M(SWAZILAND)	TEX-RAY(SA)	Parent	Sales	(295,177)	(71.08)%	75 days	-	-	959,547	92.78%	
TEX-RAY(VN)	Tex-Ray Industrial	Ultimate parent	Sales	(246,949)	(100.00)%	60 days	-	-	-	-%	
Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-Ray Industrial	Ultimate parent	Sales	(134,954)	(79.43)%	60 days	-	-	34,323	38.88%	
Z-PLY(NY)	Tex-Ray Industrial	Parent	Purchase	336,845	85.70%	45 days	-	-	(53,233)	(48.40)%	
TEX-RAY(SA)	T.Q.M(SWAZILAND)	Subsidiary	Purchase	295,177	97.49%	75 days	-	-	(959,547)	(99.88)%	
Tex-Ray Industrial	TEX-RAY(VN)	Grandson company	Purchase	246,949	10.22%	60 days	-	-	-	-%	
Tex-Ray Industrial	Tex-ray (Shanghai) Industrial Co., Ltd.	Grandson company	Purchase	134,954	5.59%	60 days	-	-	(34,323)	(13.93)%	

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

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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		
T.Q.M(SWAZILAND)	TEX-RAY(SA)	Parent	959,547	0.33%	-	-	-	-
KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	Affiliate	316,009	0.18%	-	-	16,947	-
Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	Affiliate	203,836	註1	-	-	-	-
Z-PLY(NY)	Jiangsu Texray	Affiliate	117,200	"	-	-	-	-

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	Relationship 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	\$ 336,845	Equivalent with unrelated parties	14.12%
0	Tex-Ray Industrial	Z-PLY(NY)	1	Accounts receivable	53,233	"	0.65%
0	Tex-Ray Industrial	WILEYTEX Technology Co., Ltd.	1	Other prepayments	47,700	"	0.58%
0	Tex-Ray Industrial	TEX-RAY(VN)	1	Other prepayments	141,262	"	1.73%
0	Tex-Ray Industrial	T.Q.M(SWAZILAND)	1	Sales revenue	56,161	"	2.35%
0	Tex-Ray Industrial	T.Q.M(SWAZILAND)	1	Accounts receivable	21,422	"	0.26%
0	Tex-Ray Industrial	GOOD TIME	1	Other receivables	35,160	Based on the contract	0.43%
0	Tex-Ray Industrial	AIQ-S	1	Other receivables	58,395	"	0.71%
0	Tex-Ray Industrial	Jiangsu Texray	1	Other receivables	29,300	"	0.36%
0	Tex-Ray Industrial	King's Metal	1	Other receivables	26,692	"	0.33%
1	Tex-ray Apparel Co., Ltd.	Z-PLY(NY)	3	Accounts receivable	39,242	Equivalent with unrelated parties	0.48%
1	Tex-ray Apparel Co., Ltd.	Z-PLY(NY)	3	Sales revenue	67,444	"	2.83%
1	Tex-ray Apparel Co., Ltd.	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Accounts receivable	15,213	"	0.19%
1	Tex-ray Apparel Co., Ltd.	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Sales revenue	21,954	"	0.92%
1	Tex-ray Apparel Co., Ltd.	Tex-ray (Yencheng) Industrial Co., Ltd.	3	Accounts receivable	16,521	"	0.20%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Z-PLY(NY)	3	Sales revenue	19,124	"	0.80%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-Ray Industrial	2	Sales revenue	134,954	"	5.66%

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No.	Trading party	Trading counterparty	Relationship with the trading party	Trading status			Percentage the total consolidated operating revenue or total assets
				Accounting subject	Amount	Conditions	
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Tex-Ray Industrial	2	Accounts receivable	34,323	"	0.42%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	Jiangsu Texray	3	Other receivables	203,836	Based on the contract	2.49%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	3	Accounts receivable	21,676	Equivalent with unrelated parties	0.27%
2	Tex-ray (Shanghai) Industrial Co., Ltd.	AIQ (Zhejiang)	3	Other receivables	60,002	Based on the contract	0.73%
3	T.Q.M(SWAZILAND)	TEX-RAY(SA)	3	Accounts receivable	959,547	Equivalent with unrelated parties	11.74%
3	T.Q.M(SWAZILAND)	TEX-RAY(SA)	3	Sales revenue	295,177	"	12.37%
3	T.Q.M(SWAZILAND)	Tex-Ray Industrial	2	Prepaid sales amount	19,572	"	0.24%
3	T.Q.M(SWAZILAND)	TEXRAY HOLDINGS (PTY) LTD	3	Accounts receivable	67,811	"	0.83%
3	T.Q.M(SWAZILAND)	TEXRAY HOLDINGS (PTY) LTD	3	Sales revenue	98,925	"	4.15%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Accounts receivable	316,009	"	3.87%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Sales revenue	57,431	"	2.41%
4	KASUMI(SWAILAND)	T.Q.M(SWAZILAND)	3	Other receivables	42,303	Based on the agreement	0.52%
5	GOLDEN JUBILEE	T.Q.M(SWAZILAND)	3	Sales revenue	18,011	Equivalent with unrelated parties	0.75%
5	GOLDEN JUBILEE	T.Q.M(SWAZILAND)	3	Accounts receivable	29,488	"	0.36%
6	MSWATI	Tex-ray Apparel Co., Ltd.	3	Other receivables	20,497	Based on the contract	0.25%
7	Z-PLY(NY)	Jiangsu Texray	3	Other receivables	117,200	"	1.43%
8	King's Metal	King's Metal (Netherlands)	3	Sales revenue	66,354	Based on fixed interest rates	2.78%
8	King's Metal	King's Metal (Netherlands)	3	Accounts receivable	26,173	"	0.32%
9	TEX-RAY(VN)	Tex-Ray Industrial	2	Processing revenue	246,949	Equivalent with unrelated parties	10.35%
10	Jiangsu Texray	Tex-ray Apparel Co., Ltd.	3	Sales revenue	28,128	Equivalent with unrelated parties	1.18%
10	Jiangsu Texray	Tex-ray Apparel Co., Ltd.	3	Accounts receivable	16,560	"	0.20%
11	Kunshan Dongyi	Tex-ray Apparel Co., Ltd.	3	Accounts receivable	74,151	"	0.91%
11	Kunshan Dongyi	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Sales revenue	30,627	"	1.28%

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

No.	Trading party	Trading counterparty	Relationship with the trading party	Trading status			Percentage the total consolidated operating revenue or total assets
				Accounting subject	Amount	Conditions	
11	Kunshan Dongyi	Tex-ray (Shanghai) Industrial Co., Ltd.	3	Accounts receivable	66,613	"	0.81%
12	FABRICFOUNDRY	T.Q.M(SWAZILAND)	3	Sales revenue	57,138	"	2.39%

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 June 30, 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%	51,761	(510)	(510)	Subsidiary
The Company	King's Metal	Taiwan	Secondary processing of non-woven fabrics and steel and retail of cloths and fabrics	85,580	83,002	15,701,205	59.45%	283,190	38,470	22,771	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%	53,775	7,824	5,917	Subsidiary
The Company	Herbray Biotech Ltd.	Taiwan	Biotech services	9,540	9,540	1,200,000	60.00%	(6,662)	(6,116)	(3,669)	Subsidiary
The Company	WILEYTEX Technology Co., Ltd.	Taiwan	Wholesale of cloths and fabrics	21,440	21,440	2,144,000	53.60%	(72,989)	(20,976)	(11,243)	Subsidiary
The Company	TEX-RAY (BELIZE)	Belize	Overseas investment and holding	1,063,287	1,063,287	32,348,213	100.00%	425,785	12,078	12,078	Subsidiary
The Company	TEX-RAY (BN)	Samoa	Overseas investment and holding	1,716,818	1,716,818	58,966,268	100.00%	(508,107)	(47,026)	(47,026)	Subsidiary
The Company	TEX-RAY (SA)	South Africa	Marketing and trading	102,704	102,704	39,651,771	100.00%	1,484,633	29,872	29,872	Subsidiary
The Company	TEX-RAY (CAYMAN)	Cayman Islands	Overseas investment and holding	1,305,211	1,305,211	42,662,722	100.00%	348,092	(7,474)	(7,474)	Subsidiary
The Company	AIQ SMART CLOTHING INC.	Taiwan	Wholesale of cloths and fabrics	163,512	163,512	11,503,200	70.44%	(134,322)	(31,948)	(22,505)	Subsidiary
The Company	Z-PLY	USA	Marketing and	314,490	314,490	200	100.00%	370,068	(4,638)	(4,638)	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	TRLA GROUP	USA	trading Marketing and trading	42,109	42,109	2,936,000	100.00%	37,463	178	178	Subsidiary
The Company	FABRICFOUNDRY	Mauritius	Marketing and trading	9,723	9,723	30,000	100.00%	27,378	7,206	7,206	Subsidiary
TEX-RAY (BN)	GOOD TIME	Vietnam	Garment processing	227,750	227,750	-	100.00%	(18,657)	(1,763)		Disclosure is not required Grandson company
TEX-RAY (BN)	MSWATI	Mauritius	Overseas investment and holding	1,160,125	1,160,125	-	100.00%	(578,104)	(32,300)		Disclosure is not required Grandson company
TEX-RAY (BN)	TEXRAY (VN)	Vietnam	Garment processing	423,990	423,990	-	100.00%	80,116	(12,859)		Disclosure is not required Grandson company
TEX-RAY (BN)	TRCA GARMENT	Cambodia	Garment processing	87,361	87,361	-	100.00%	499	-		Disclosure is not required Grandson company
GREAT CPT INTERNATIONAL CO., LTD.	TEXRAY (SWAZILAND)	Eswatini	Garment processing	158,524	158,524	12,417,938	100.00%	595	57		Disclosure is not required Grandson company
King's Metal	King's Metal (Netherlands)	Netherlands	Marketing and trading	7,950	7,950	200,000	100.00%	19,673	3,115		Disclosure is not required Grandson company
AIQ SMART CLOTHING INC.	AIQ-S	UK	Development of Smart Clothing Technology	30,735	30,735	100,000	50.00%	(20,153)	(4,231)		Disclosure is not required Grandson company
TEX-RAY (CAYMAN)	TEXRAY (MEXICO)	Mexico	Dyeing & finishing	1,168,882	1,168,882	-	100.00%	314,202	(5,586)		Disclosure is not required 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%	361,194	1,119		Disclosure is not required Grandson company
TEXRAY (SA)	T.Q.M.(SWAZILAND)	Eswatini	Dyeing & finishing	569,316	569,316	132,525,183	100.00%	1,092,644	29,292		Disclosure is not required Grandson company
TEXRAY (SA)	U.I.W.(SWAZILAND)	Eswatini	Garment processing	47,508	47,508	12,031,000	100.00%	18,279	(331)		Disclosure is not required 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%	7,157	(1,061)		Disclosure is not required Grandson company
TEXRAY (SA)	GOLDEN (SWAZILAND)	Eswatini	Garment processing	10,800	10,800	5,000,000	100.00%	53,766	3,132		Disclosure is not required Grandson company
TEXRAY (SA)	TEXRAY HOLDINGS	South Africa	Marketing and trading	857	857	500,000	100.00%	(514)	(1,527)		Disclosure is not required Grandson company

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

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

(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 at the beginning of the period	Outward remitted or repatriated investment amount in the period		Accumulated investment amount remitted from Taiwan at the end of the period	Current profit and loss of the investee company	Shareholding ratio of the Company's direct or indirect investments	Recognized investment gains and losses in the period (Note 2)	Closing investment book value	Investment income repatriated at the end of the period
					Outward remitted	Repatriated						
Tex-ray (Shanghai) Industrial Co., Ltd.	Textile warehousing, trading, distribution, display, and technology development businesses	282,574	(II)	282,574	-	-	282,574	12,103	100.00%	12,103	425,207	-
Tex-ray (Yencheng) Industrial Co., Ltd.	Manufacturing and sale of textiles, clothing, shoes, and hats	99,162	(III)	-	-	-	-	92	100.00%	92	(5,091)	-
Kunshan Dongyi	Development of laminated fabrics	168,268	(III)	-	-	-	-	1,184	100.00%	1,184	182,073	-
Jiangsu Texray	Ready to wear processing and engaging in spinning, weaving, high-end fabrics, dyeing, printing, and apparel production	1,749,139	(II)	1,235,108	-	-	1,235,108	(25,685)	100.00%	(25,685)	(310,595)	-
Tex-ray Apparel Co., Ltd.	Knitted garment processing	164,220	(II)	86,711	-	-	86,711	(8,131)	100.00%	(8,131)	(187,442)	-
Shanghai AIQ	Wholesale of glass products, high-efficiency insulation materials, textiles, clothing, apparel and accessories	62,008	(II)	62,008	-	-	62,008	(3,392)	70.44%	(2,389)	53	-
AIQ (Zhejiang)	System R&D, production, and sales of AI equipment	36,739	(III)	-	-	-	-	(9,164)	70.44%	(6,455)	(85,464)	-
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)	-	-	-	-	641	100.00%	641	10,488	-
Shanghai Jinpeili (Note 5)	Weaving, dyeing, and post-processing of high-end textiles, 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 textiles	29,613	(II)	29,613	-	-	29,613	-	-%	-	-	-
Guangxi Tex-ray Apparel Co., Ltd.	Garment manufacturing and wholesale	-	(III)	-	-	-	-	-	100.00%	-	-	-

Note 1: There are three types of investment methods:

(I) Direct investment in mainland China.

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

(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 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 June 30, 2025 (USD: 29.30; CNY: 4.0910)

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 June 30, 2025 (which have been written off when preparing the consolidated report), please refer to the description of "Information on Significant Transactions."

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

XIV. Department Information

The information and adjustments of the consolidated company's operating departments are as follows:

<u>From April to June 2025</u>	<u>Textile, Dyeing and Weaving Division</u>	<u>Garment Business Division</u>	<u>Machine Division</u>	<u>Metal Fiber Business Division</u>	<u>Other departments</u>	<u>Adjustment and offset</u>	<u>Total</u>
Revenues							
Revenue from external customers	\$ 128,553	863,730	33,260	115,300	1,894	-	1,142,737
Inter-departmental income	<u>85,675</u>	<u>599,591</u>	<u>-</u>	<u>37,676</u>	<u>37,503</u>	<u>(760,445)</u>	<u>-</u>
Total Income	<u>\$ 214,228</u>	<u>1,463,321</u>	<u>33,260</u>	<u>152,976</u>	<u>39,397</u>	<u>(760,445)</u>	<u>1,142,737</u>
Reportable departments' profits and losses	<u>\$ (5,586)</u>	<u>(30,815)</u>	<u>1,716</u>	<u>(6,468)</u>	<u>(172,775)</u>	<u>-</u>	<u>(213,928)</u>
From April to June 2024							
Revenues							
Revenue from external customers	\$ 109,571	746,346	27,059	139,567	1,699	-	1,024,242
Inter-departmental income	<u>99,586</u>	<u>601,251</u>	<u>-</u>	<u>36,492</u>	<u>41,624</u>	<u>(778,953)</u>	<u>-</u>
Total Income	<u>\$ 209,157</u>	<u>1,347,597</u>	<u>27,059</u>	<u>176,059</u>	<u>43,323</u>	<u>(778,953)</u>	<u>1,024,242</u>
Reportable departments' profits and losses	<u>\$ 17,659</u>	<u>15,078</u>	<u>148</u>	<u>17,679</u>	<u>(39,025)</u>	<u>-</u>	<u>11,539</u>
From January to June 2025							
Revenues							
Revenue from external customers	\$ 272,440	1,784,542	87,048	238,463	3,443	-	2,385,936
Inter-departmental income	<u>141,853</u>	<u>1,273,251</u>	<u>-</u>	<u>71,567</u>	<u>63,215</u>	<u>(1,549,886)</u>	<u>-</u>
Total Income	<u>\$ 414,293</u>	<u>3,057,793</u>	<u>87,048</u>	<u>310,030</u>	<u>66,658</u>	<u>(1,549,886)</u>	<u>2,385,936</u>
Reportable departments' profits and losses	<u>\$ 2,977</u>	<u>(9,529)</u>	<u>9,772</u>	<u>10,232</u>	<u>(199,698)</u>	<u>-</u>	<u>(186,246)</u>
From January to June 2024							
Revenues							
Revenue from external customers	\$ 196,224	1,720,630	87,952	253,859	3,552	-	2,262,217
Inter-departmental income	<u>154,670</u>	<u>1,309,549</u>	<u>-</u>	<u>75,952</u>	<u>56,298</u>	<u>(1,596,469)</u>	<u>-</u>
Total Income	<u>\$ 350,894</u>	<u>3,030,179</u>	<u>87,952</u>	<u>329,811</u>	<u>59,850</u>	<u>(1,596,469)</u>	<u>2,262,217</u>
Reportable departments' profits and losses	<u>\$ 4,776</u>	<u>85,322</u>	<u>4,691</u>	<u>35,690</u>	<u>(47,043)</u>	<u>-</u>	<u>83,436</u>

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.