TEX YEAR INDUSTRIES INC.

2025 Regular Shareholders' Meeting

(Translation)

Note to Readers: If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

Date: Thursday, May 29, 2025

Time: 9:30 a.m. Taipei time

Place: 4F., No. 9, Wuquan 6th Rd., New Taipei Industrial Park, New Taipei City, Taiwan (Meeting Room on the 4th Floor of the Company).

Shareholders present:

66,673,716 shares were represented by the shareholders and proxies present (including 57,615,683 shares represented by shareholders executing voting rights through e-voting), which amounted to 58.22% of the Company's 114,516,037 issued and outstanding shares.

Chairman: Hsiao, Hsiang-Chih

Recorder: Lei, Pei-Lin

Attendance:

Directors present: Hsiao, Hsiang-Chih (Chairman), Hsiao, Chin-Tsung (Director), Chen, Cheng-Jen (Director), Peter Sterling Melendy (Representative of Adhesive Technologies, Inc.), Wang, Chung-Ping (Chairman of the Audit Committee, Independent Director), Tseng, Tsai-Wei (Chairman of the Remuneration Committee, Independent Director), Weng, Wen-Pin (Chairman of the Corporate Sustainability Committee, Independent Director), Lin, Shu-Chuan (Chairman of Ethical Corporate Management, Independent Director). More than one-half of all 11 directors are in attendance.

In attendance: CFO Kao, Chih-Wen, CPA of Deloitte & Touche Taipei, Taiwan Republic Chuang, Pi-Yu.

1. **Chairman of the Meeting announced that the aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chairman called the meeting to order.**

2. **Chairman's opening speech:** (Omitted)

3. Report Matters

(1). The Company's 2024 Business Report. Please kindly review.

Explanation: Please refer to Attachment 1 on pages 27-34 of the Handbook for the 2024 Business Report.

(2). The Company's 2024 Audit Committee Review Report. Please kindly review.

Explanation: Please refer to Attachment 2 on page 35 of the Handbook for the 2024 Audit Committee Review Report.

(3). Report of the distribution of employee remuneration and directors' and supervisors' remuneration for 2024. Please kindly review.

Explanation:

(i) The Company's distribution of directors' and supervisors' remuneration and employee remuneration for 2024 was approved in the Board of Directors' meeting on March 12, 2025 and will be distributed in cash.

(ii) The employee remuneration and directors' remuneration are NT$10,703,722 and NT$3,567,907, respectively.

(4). Report on the 2024 cash dividend distribution from earnings. Please kindly review.

Explanation:

(i) Pursuant to Article 23 of the Articles of Incorporation, cash dividends may be distributed with the approval of a board meeting attended by at least two-thirds of the directors and a majority of the attending directors.

(ii) The Company's profit distribution NT$ 114,516,037 in cash dividends to shareholders in 2024 was calculated based on the 114,516,037 shares of the Company that were out of circulation on February 28, 2025, and NT$ 1 was distributed per share.

(iii) The cash dividends are calculated according to the matching ratio, rounded up below one $NT, and the remaining amount less than one yuan is adjusted according to the principle of fairness from the largest to the smallest decimal point and the order of the account number from front to back, until it meets the requirements of cash dividends. with total debt. Share distribution, such as the subsequent purchase of the Company's shares, transfer or cancellation of treasury shares, cash capital increase and exercise of employee stock warrants, or conversion of convertible corporate bonds affects the number of outstanding shares by converting ordinary shares, resulting in shareholder dividends. The changer intends to ask the shareholders' general meeting to authorize the board of directors to handle matters related to the change.

(5). Report on the establishment of the "Operational Guidelines for Financial Business Between Related Parties". Please kindly review.

Explanation: In accordance with the reference template for the "Operational Guidelines for Financial Business Between Related Parties for Public Companies" amended in December 2022, the Company has drafted the full text of its "Operational Guidelines for Financial Business Between Related Parties". Please refer to Attachment 3 on pages 36-44 of this Handbook.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

4. Recognition Items

Proposal 1 .... (Proposed by the Board of Directors)

Subject: 2024 business report and financial statements, acknowledgment is respectfully requested.

Explanation:

(i) The Company's 2024 consolidated financial statements and individual financial statements, which have been audited by CPAs, Tsai, Yu-Ling and Chuang, Pi-Yu of Deloitte Taiwan, together with the business report, were approved by the board of directors, submitted to and examined by supervisors with the examination report.

(ii) Please refer to Attachment 1 on pages 27-34, Attachment 4 and Attachment 5 on pages 45-67 of the Handbook for the 2024 Business Report, Independent Auditor's Report and financial statements.

(iii) Acknowledgment is respectfully requested.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:
Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,495,912 votes (including e-voting：52,437,879 votes)	92.23%
Votes in against:：47,265 votes (including e-voting：47,265 votes)	0.07%
Votes in invalid：5,130,539 votes (including e-voting：5,130,539 votes)	7.69%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 92.23% of the votes in favor represented by the shareholders present, and the "2024 business report and financial statements" be and hereby were accepted as submitted.

Proposal 2 .... (Proposed by the Board of Directors)

Subject: 2024 earnings distribution plan, acknowledgment is respectfully requested.

Explanation:

(i) The Company's 2024 earnings distribution plan was approved in the Board of Directors meeting on March 12, 2025, and the proposed earnings distribution plan in compliance with the Articles of Incorporation is as follows:

	Unit: NT$
Undistributed earnings at the beginning of the period (a)	$ 40,461,281
Add: Comprehensive income transferred to retained earnings - Actuarial gains from defined benefit plans for the year (b)	5,721,291
Profit after adjustment for the beginning year (c=a+b)	46,182,572
Add: Profit after tax in 2024 (d)	161,039,375
Less: Appropriation of 10% as legal reserve (e) = (b + d) x 10%	(16,676,067)
Add: Reversal of special reserve to earnings (f)	33,364,538
Distributable earnings for the period (g) = (c + d - e + f)	223,910,418
Distribution items:	
Less: Dividend (h)- cash- NT$1 per share	(114,516,037)
Undistributed earnings at the end of the period (i)=(g-h)	$109,394,381

1. If there is a surplus in the annual final accounts, in addition to the tax paid in accordance with the law, the losses of the previous year shall be made up first, and the second increase of 10% shall be the statutory surplus reserve, but when the statutory surplus reserve has reached the amount of paid-in capital, it may not be mentioned. After the special surplus reserve is also listed or reversed in accordance with the law, and the undistributed surplus accumulated in the same year as the previous year, it shall be retained or distributed by the resolution of the shareholders' meeting.
2. For the 2024 earning distribution, it is intended to provide NT$ 114,516,037 to distribute cash dividends NT$1 per share, based on the paid-in capital 114,516,037 shares at the end of February 2025.

Chairman:	General Manager:	Accounting Manager:
Hsiao, Hsiang-Chih	Hsiao, Hsiang-Chih	Kao, Chih-Wen

(ii) Acknowledgment is respectfully requested.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:

Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,498,017 votes (including e-voting：52,439,984 votes)	92.23%
Votes in against:：45,160 votes (including e-voting：45,160 votes)	0.06%
Votes in invalid：5,130,539 votes (including e-voting：5,130,539 votes)	7.69%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 92.23% of the votes in favor represented by the shareholders present, and the proposal for "2024 earnings distribution plan" be and hereby was accepted as proposed.

5. Discussions I

Proposal 1 ....(Proposed by the Board of Directors)

Subject: Proposed partial amendments to the Company's "Articles of Incorporation". Please discuss.

Explanation:

(i) In accordance with Financial Supervisory Commission's (FSC's) Letter Jin-Guan-Zheng-Fa-Zi No. 1130385442, the Articles of Incorporation should stipulate the appropriation of a certain percentage of annual earnings for salary adjustments or remuneration for entry-level employees. Accordingly, Article 23 of the Company's Articles of Incorporation is proposed to be amended. The comparison table of the amendments is as follows:

After Amendment	Before amendment	Explanation
Article 23: In order to motivate employees and the management team, the Company shall allocate the employees' remuneration and the directors' and supervisors' remuneration from the pre-tax benefits of the current year. If there is a surplus after making up the losses, 1% to 10% of the surplus shall be allocated as the employees' remuneration and no more than 3% as the directors' and supervisors' remuneration. <u>To balance corporate governance and fulfill social responsibility for employee care, at least 20% of the total employee remuneration shall be appropriated to entry-level employees. The appropriation percentage for the year shall be determined by a board resolution.</u>	Article 23: In order to motivate employees and the management team, the Company shall allocate the employees' remuneration and the directors' and supervisors' remuneration from the pre-tax benefits of the current year. If there is a surplus after making up the losses, 1% to 10% of the surplus shall be allocated as the employees' remuneration and no more than 3% as the directors' and supervisors' remuneration. (Omitted below)	In accordance with FSC's Letter Jin-Guan-Zheng-Fa-Zi No. 1130385442, the Articles of Incorporation should stipulate the appropriation of a certain percentage of annual earnings for salary adjustments or remuneration for entry-level employees. Accordingly, this article is amended.

After Amendment	Before amendment	Explanation
(Omitted below)		
Article 27: These Articles of Incorporation were established on April 13, 1976. The 1st amendment was made on June 20, 1978, the 2nd amendment was made on June 9, 1980, the 3rd amendment was made on March 20, 1982, the 4th amendment was made on May 1, 1984, ..., the 42nd amendment was made on June 27, 2022, <u>the 43rd amendment was made on May 29, 2025.</u>	Article 27: These Articles of Incorporation were established on April 13, 1976. The 1st amendment was made on June 20, 1978, the 2nd amendment was made on June 9, 1980, the 3rd amendment was made on March 20, 1982, ..., the 42nd amendment was made on June 27, 2022.	The amendment date is added.

(ii) Please discuss.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:
Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,495,912 votes (including e-voting：52,437,879 votes)	92.23%
Votes in against:：47,265 votes (including e-voting：47,265 votes)	0.07%
Votes in invalid：5,130,539 votes (including e-voting：5,130,539 votes)	7.69%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 92.23% of the votes in favor represented by the shareholders present, and the proposal for “partial amendments to the Company’s Articles of Incorporation” be and hereby was accepted as proposed.

Proposal 2 ....(Proposed by the Board of Directors)

Subject: Proposed partial amendments to the Company's "Endorsement/ Guarantee Management Measures". Please discuss.

Explanation:

(i) To comply with regulatory requirements, the Company proposes to amend its "Endorsement/ Guarantee Management Measures." The comparison table of the amendments is as follows:

After Amendment	Before amendment	Explanation
Article 3: **Endorsement/ Guarantee recipients** The Company may make endorsement guarantee for the following companies: 1. Companies with business transactions with the Company. 2. Companies in which the Company directly <u>or indirectly</u> holds more than 50% of the <u>voting shares</u>. 3. Companies that directly or indirectly hold more than 50% of the Company's <u>voting shares</u>. 4. Companies in which the Company directly and indirectly holds 90% or more of the voting shares.	Article 3: **Endorsement/ Guarantee recipients** The Company may make endorsement guarantee for the following companies: 1. Companies with business relationships with the Company. 2. Subsidiaries in which the Company directly holds more than 50% of ordinary shares. 3. Investees in which the parent company and the Company's subsidiaries collectively hold more than 50% of ordinary shares. 4. A parent company that directly or indirectly through its subsidiaries holds more than 50% of the Company's ordinary shares. 5. <u>Companies in which the Company directly and indirectly holds 90% or more of the voting shares.</u>	Text is amended to comply with regulations.
Article 4: <u>**Endorsement/ Guarantee evaluation standards**</u> <u>For endorsements/ guarantees provided due to business relationships, the amount of each endorsement or guarantee shall not exceed the transaction amount between both parties. The transaction amount refers to the higher of the contract amounts for purchases, sales, or purchase and sales between both parties in the most recent year.</u>	(Newly added)	Text is amended to comply with regulations.

After Amendment	Before amendment	Explanation
Article 5: Endorsement/ Guarantee limits 1. The total amount of endorsements/ guarantees by the Company and its subsidiaries, as well as the limit for a single entity, shall be determined by the board of directors and submitted to the shareholders' meeting for approval before implementation. Endorsements/ Guarantees for guaranteed companies shall be approved by the board of directors. However, the board of directors may authorize the Chairman to make decisions within the total limit, subject to subsequent ratification by the board of directors. For subsidiaries to be endorsed/ guarantees with a net worth less than half of their paid-in capital, the board of directors may not authorize the Chairman to make decisions within a certain amount. 2. The total amount of endorsements/ guarantees provided by the Company and its subsidiaries to external parties, the limit for a single entity, the tiered authorization standards, and their respective amounts are as follows: 2-1 The total cumulative liability for external endorsements/guarantees by the Company and its subsidiaries shall not exceed 50% of the Company's net worth. 2-2 The limit for endorsements/ guarantees to a single entity by the Company and its subsidiaries shall not exceed	Article 4: Endorsement/ Guarantee limits 1. The total amount of endorsements/ guarantees by the Company and its subsidiaries, as well as the limit for a single entity, shall be determined by the board of directors and submitted to the shareholders' meeting for approval before implementation. Endorsements/ Guarantees for guaranteed companies shall be approved by the board of directors. However, the board of directors may authorize the Chairman to make decisions within the total limit, subject to subsequent ratification by the board of directors. For subsidiaries to be endorsed/ guarantees with a net worth less than half of their paid-in capital, the board of directors may not authorize the Chairman to make decisions within a certain amount. 2. The total amount of endorsements/ guarantees provided by the Company and its subsidiaries to external parties, the limit for a single entity, the tiered authorization standards, and their respective amounts are as follows: 2-1 The total cumulative amount for external endorsements/guarantees by the Company and its subsidiaries shall not exceed 50% of the Company's net worth. 2-2 The limit for endorsements/ guarantees to a single entity by the Company and its subsidiaries shall not exceed	Article numbers are revised and text amended to comply with regulations.

After Amendment	Before amendment	Explanation
20% of the Company's net worth. For endorsements/ guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares, the limit shall not exceed 30% of the Company's net worth. 2-3 Subsidiaries in which the Company directly and indirectly holds 90% or more of the voting shares may provide endorsements/guarantees for each other, and the total amount shall not exceed 10% of the Company's net worth. However, the endorsement guarantee for loans between companies in which the Company holds 100% of shares with voting rights directly and indirectly, is not subject to such limitation. 2-4 Endorsements/guarantees between subsidiaries in which the Company directly and indirectly holds 90% or more of the voting shares shall be approved by the Company's board of directors before implementation. However, the endorsement guarantee for loans between companies in which the Company holds 100% of shares with voting rights directly and indirectly, is not subject to such limitation.	20% of the Company's net worth. For endorsements/ guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares, the limit shall not exceed 30% of the Company's net worth. 2-3 Endorsements/guarantees between subsidiaries in which the Company directly and indirectly holds 90% or more of the voting shares shall be approved by the Company's board of directors before implementation. However, the endorsement guarantee for loans between companies in which the Company holds 100% of shares with voting rights directly and indirectly, is not subject to such limitation.	

After Amendment	Before amendment	Explanation
Article 6: Endorsement/ Guarantee application procedures 1. When the Company is to provide an endorsement/ guarantee, the endorsed/ guaranteed company shall submit an application to the Company's finance <u>unit</u>. The finance <u>unit</u> shall conduct a credit investigation and risk assessment of the endorsed/ guaranteed company, keep the assessment records, and, upon approval after review, submit the application to the CEO and Chairman for authorization. Collateral may be required if necessary. 2. The finance <u>unit</u>'s credit investigation and risk assessment of the endorsed/guaranteed company shall include: 2-1 Necessity and reasonableness of the endorsement/ guarantee. 2-2 Whether the amount to be endorsed is appropriate based on the endorsed/ guaranteed company's financial condition. 2-3 Whether the cumulative endorsement and guarantee amount is within the limit. 2-4 Whether the amount to be endorsed/ guaranteed is within the transaction amount limit for endorsements/guarantees due to business relationships. 2-5 Impact on the Company's operational risk, financial condition, and shareholders' equity.	Article 5: Endorsement/ Guarantee application procedures 1. When the Company is to provide an endorsement/ guarantee, the endorsed/ guaranteed company shall submit an application to the Company's finance department. The finance department shall conduct a credit investigation and risk assessment of the endorsed/ guaranteed company, keep the assessment records, and, upon approval after review, submit the application to the CEO and Chairman for authorization. Collateral may be required if necessary. 2. The finance department's credit investigation and risk assessment of the endorsed/guaranteed company shall include: 2-1 Necessity and reasonableness of the endorsement/ guarantee. 2-2 Whether the amount to be endorsed is appropriate based on the endorsed/ guaranteed company's financial condition. 2-3 Whether the cumulative endorsement and guarantee amount is within the limit. 2-4 Whether the amount to be endorsed/ guaranteed is within the transaction amount limit for endorsements/guarantees due to business relationships. 2-5 Impact on the Company's operational risk, financial condition, and shareholders' equity.	The designated responsible unit is adjusted.

After Amendment	Before amendment	Explanation
2-6 Whether collateral is required and the assessed value of the collateral. 2-7 Attachment of credit investigation and risk assessment records for endorsement/ guarantee recipients. The finance unit shall establish a memorandum book to record in detail for future reference endorsement/ guarantee recipients, amounts, dates of board approval or Chairman's decision, endorsement/ guarantee dates, and the matters that require careful evaluation in accordance with the preceding paragraph. 3. The finance unit shall assess or recognize contingent losses from endorsements/guarantees, appropriately disclose endorsement/ guarantee information in the financial statements, and provide relevant information to certified public accountants (CPAs) for necessary audit procedures to issue an appropriate audit report.	2-6 Whether collateral is required and the assessed value of the collateral. 2-7 Attachment of credit investigation and risk assessment records for endorsement/ guarantee recipients. The finance department shall establish a memorandum book to record in detail for future reference endorsement/ guarantee recipients, amounts, dates of board approval or Chairman's decision, endorsement/ guarantee dates, and the matters that require careful evaluation in accordance with the preceding paragraph. 3. The finance department shall assess or recognize contingent losses from endorsements/guarantees, appropriately disclose endorsement/ guarantee information in the financial statements, and provide relevant information to certified public accountants (CPAs) for necessary audit procedures to issue an appropriate audit report.	
Article 7: (Omitted below) Article 8: (Omitted below)	Article 6: (Omitted below) Article 7: (Omitted below)	Article numbers are revised.
Article 9: Cancellation of endorsements/guarantees 1. When documents or notes/ bills related to endorsements/guarantees need to be canceled due to debt repayment or renewal, the	Article 8: Cancellation of endorsements/guarantees 1. When documents or notes/ bills related to endorsements/guarantees need to be canceled due to debt repayment or renewal, the	The designated responsible unit is adjusted.

After Amendment	Before amendment	Explanation
endorsed/guaranteed company shall submit a formal letter and return the original endorsement/ guarantee documents to the Company's finance unit. The unit shall stamp "Canceled" on the documents and return them, with the application letter retained for reference. 2. The finance unit shall promptly record the canceled endorsement/ guarantee in the endorsement/ guarantee memorandum book, to reduce the outstanding amounts of endorsements/guarantees.	endorsed/guaranteed company shall submit a formal letter and return the original endorsement/ guarantee documents to the Company's finance department. The department shall stamp "Canceled" on the documents and return them, with the application letter retained for reference. 2. The finance department shall promptly record the canceled endorsement/ guarantee in the endorsement/ guarantee memorandum book, to reduce the outstanding amounts of endorsements/guarantees.	
Article 10: (Omitted below) Article 11: (Omitted below)	Article 9: (Omitted below) Article 10: (Omitted below)	Article numbers are revised.
Article 12: Public announcement and reporting procedures The Company shall announce and report the endorsement/ guarantee balance of the Company and its subsidiaries for the previous month by the 10th day of each month. In case the endorsement/ guarantee balance meets one of the following criteria, it shall be announced and reported within two days from the date of the occurrence: 1. The endorsement/ guarantee balance of the Company and its subsidiaries reaches 50% or more of the Company's most recent financial statement net worth. 2. The endorsement/ guarantee balance of the Company and its subsidiaries for a single entity reaches 20% or more of the Company's most recent financial statement net worth.	Article 11: Public announcement and reporting procedures The Company shall announce and report the endorsement/ guarantee balance of the Company and its subsidiaries for the previous month by the 10th day of each month. In case the endorsement/ guarantee balance meets one of the following criteria, it shall be announced and reported within two days from the date of the occurrence: 1. The endorsement/ guarantee balance of the Company and its subsidiaries reaches 50% or more of the Company's most recent financial statement net worth. 2. The endorsement/ guarantee balance of the Company and its subsidiaries for a single entity reaches 20% or more of the Company's most recent financial statement net worth.	Article numbers are revised and text amended to comply with regulations.

After Amendment	Before amendment	Explanation
3. The endorsement/ guarantee balance of the Company and its subsidiaries for a single entity reaches NT$10 million or more, and the combined total of endorsements and guarantees, the carrying amount of investments accounted for using the equity method, and loan balances for that entity reaches 30% or more of the Company's most recent financial statement net worth. 4. The Company or its subsidiaries' new endorsement/ guarantee amount reaches NT$30 million or more and 5% or more of the Company's most recent financial statement net worth. 5. If a subsidiary of the Company that is not a domestic public company has matters requiring announcement and reporting under subparagraph 4 of the preceding paragraph, the Company shall make the announcement and reporting on its behalf.	3. The endorsement/ guarantee balance of the Company and its subsidiaries for a single entity reaches NT$10 million or more, and the combined total of endorsements and guarantees, the carrying amount of investments accounted for using the equity method, and loan balances for that entity reaches 30% or more of the Company's most recent financial statement net worth. 4. The Company or its subsidiaries' new endorsement/ guarantee amount reaches NT$30 million or more and 5% or more of the Company's most recent financial statement net worth. 5. If a subsidiary of the Company that is not a domestic public company has matters requiring announcement and reporting under subparagraph 4 of the preceding paragraph, the Company shall make the announcement and reporting on its behalf.	
Article 13: (Omitted below) Article 14: (Omitted below) Article 15: (Omitted below)	Article 12: (Omitted below) Article 13: (Omitted below) Article 14: (Omitted below)	Article numbers are revised.

(ii) Please discuss.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:

Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,495,912 votes (including e-voting：52,437,879 votes)	92.23%
Votes in against:：47,265 votes (including e-voting：47,265 votes)	0.07%
Votes in invalid：5,130,539 votes (including e-voting：5,130,539 votes)	7.69%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 92.23% of the votes in favor represented by the shareholders present, and the proposal for "partial amendments to the Company's Endorsement/ Guarantee Management Measures" be and hereby was accepted as proposed.

Proposal 3 ....(Proposed by the Board of Directors)

Subject: Proposed renaming and partial amendments to the Company's "Operating Procedures for Loaning Funds to Others". Please discuss.

Explanation:

(i) To comply with regulatory requirements, the Company proposes to amend its "Operating Procedures for Loaning Funds to Others." The comparison table of the amendments is as follows:

After Amendment	Before amendment	Explanation
Article 5: Total loan amount and individual recipient limits 1. The total loan amount by the Company shall not exceed 50% of the Company's net worth. However, for short-term financing needs between companies or firms, the total loan amount shall not exceed 40% of the Company's net worth. 2. For companies or firms with business relationships with the Company, the individual loan amount shall not exceed the transaction amount between both parties. The transaction amount refers to the higher of the contract amounts for purchases, sales, or purchase and sales between both parties in the most recent year. 3. For companies or firms with short-term financing needs, the individual loan amount shall not exceed 20% of the Company's net worth. 4. For loans between foreign companies in which the Company directly and indirectly holds 100% of the voting shares, or for loans from such wholly-owned foreign companies to the Company for short-term financing needs, the	Article 5: Total loan amount and individual recipient limits 1. The total loan amount by the Company shall not exceed 50% of the Company's net worth. However, for short-term financing needs between companies or firms, the total loan amount shall not exceed 40% of the Company's net worth. 2. For companies or firms with business relationships with the Company, the individual loan amount shall not exceed the transaction amount between both parties. The transaction amount refers to the higher of the purchase or sale amount between both parties. 3. For companies or firms with short-term financing needs, the individual loan amount shall not exceed 20% of the Company's net worth. 4. For loans between foreign companies in which the company directly and indirectly holds 100% of the voting shares for short-term financing needs, the amount is not subject to the restrictions in paragraphs 1 and 3 above but shall not exceed the	Text is amended to comply with regulations.

After Amendment	Before amendment	Explanation
amount is not subject to the restrictions in paragraphs 1 and 3 but shall not exceed the net worth of the lending company.	net worth of the lending company.	
Article 6: Operating procedures for loaning funds 1. Credit investigation: When the Company handles loan matters, the borrower shall submit necessary company and financial information and apply for a financing limit in writing. After receiving the application, the finance <u>unit</u> shall investigate and evaluate the borrower's business operations, financial condition, repayment capacity, creditworthiness, profitability, and purpose of the loan, and prepare a report. The finance <u>unit</u>'s detailed evaluation and review shall include at least: 1-1 The necessity and reasonableness for loaning funds to others. 1-2 Whether the loan amount is appropriate based on the borrower's financial condition. 1-3 Whether the cumulative loan amount is within the limit. 1-4 Impact on the Company's operational risk, financial condition, and shareholders' equity. 1-5 Whether collateral is required and the assessed value of the collateral. 1-6 Attachment of credit investigation and risk assessment records for loan recipients.	Article 6: Operating procedures for loaning funds 1. Credit investigation: When the Company handles loan matters, the borrower shall submit necessary company and financial information and apply for a financing limit in writing. After receiving the application, the finance department shall investigate and evaluate the borrower's business operations, financial condition, repayment capacity, creditworthiness, profitability, and purpose of the loan, and prepare a report. The finance department's detailed evaluation and review shall include at least: 1-1 The necessity and reasonableness for loaning funds to others. 1-2 Whether the loan amount is appropriate based on the borrower's financial condition. 1-3 Whether the cumulative loan amount is within the limit. 1-4 Impact on the Company's operational risk, financial condition, and shareholders' equity. 1-5 Whether collateral is required and the assessed value of the collateral. 1-6 Attachment of credit investigation and risk	The designated responsible unit is adjusted.

After Amendment	Before amendment	Explanation
2. Security: When handling loan matters, the Company shall obtain a promissory note of the same amount and, if necessary, mortgage movable or immovable property. For the above collateral, if the debtor provides an individual or company with sufficient financial capacity and creditworthiness as a guarantor to replace collateral, the board of directors may proceed based on the finance unit's credit investigation report. If a company acts as a guarantor, attention shall be paid to whether its articles of incorporation include provisions that allow it to provide guarantees.	assessment records for loan recipients. 2. Security: When handling loan matters, the Company shall obtain a promissory note of the same amount and, if necessary, mortgage movable or immovable property. For the above collateral, if the debtor provides an individual or company with sufficient financial capacity and creditworthiness as a guarantor to replace collateral, the board of directors may proceed based on the finance department's credit investigation report. If a company acts as a guarantor, attention shall be paid to whether its articles of incorporation include provisions that allow it to provide guarantees.	
Article 7: Authorization scope When the Company handles loan matters, the Company's finance unit shall conduct a credit investigation, obtain approval from the CEO, and submit the matter to the board of directors for resolution before implementation. No other person may be authorized to make such decisions. Independent directors' opinions shall be fully considered, with their explicit agreement or objections, along with the reasons for objections, recorded in the board meeting minutes. However, for loans between the Company and its subsidiaries or between its subsidiaries, the Chairman may be	Article 7: Authorization scope When the Company handles loan matters, the Company's finance department shall conduct a credit investigation, obtain approval from the CEO, and submit the matter to the board of directors for resolution before implementation. No other person may be authorized to make such decisions. Independent directors' opinions shall be fully considered, with their explicit agreement or objections, along with the reasons for objections, recorded in the board meeting minutes. However, for loans between the Company and its subsidiaries or between its subsidiaries, the Chairman may be	The designated responsible unit is adjusted.

After Amendment	Before amendment	Explanation
authorized to make multiple disbursements or revolving drawdowns to the same borrower within a certain limit approved by the board of directors and for a period not exceeding one year. For loans between the Company and its subsidiaries, or between subsidiaries, in which the Company directly or indirectly holds 100% of the voting shares, there is no restriction on the authorized limit, except that the authorized loan amount to a single entity shall not exceed 10% of the Company's or subsidiary's most recent financial statement net worth.	authorized to make multiple disbursements or revolving drawdowns to the same borrower within a certain limit approved by the board of directors and for a period not exceeding one year. For loans between the Company and its subsidiaries, or between subsidiaries, in which the Company directly or indirectly holds 100% of the voting shares, there is no restriction on the authorized limit, except that the authorized loan amount to a single entity shall not exceed 10% of the Company's or subsidiary's most recent financial statement net worth.	
Article 11: Public announcement and reporting 1. The Company shall announce and declare its and its subsidiaries' loan balance of funds of the previous month before the 10th day of each month. 2. The Company shall announce and report loans to others within two days from the date of occurrence if any of the following criteria are met: 2-1 The loan balance of the Company and its subsidiaries reaches 20% or more of the Company's most recent financial statement net worth. 2-2 The loan balance of the Company and its subsidiaries to a single entity reaches 10% or more of the Company's most	Article 11: Public announcement and reporting 1. The Company shall announce and declare its and its subsidiaries' loan balance of funds of the previous month before the 10th day of each month. 2. The Company shall announce and report loans to others within two days from the date of occurrence if any of the following criteria are met: 2-1 The loan balance of the Company and <u>its</u> subsidiaries reaches 20% or more of the Company's most recent financial statement net worth. 2-2 The loan balance of the company and <u>its</u> subsidiaries to a single entity reaches 10% or more of the Company's most	Text is amended to comply with regulations.

After Amendment	Before amendment	Explanation
recent financial statement net worth. 2-3 The Company or its subsidiaries' new loan amount reaches NT$10 million or more and 2% or more of the Company's most recent financial statement net worth. 2-4 If a subsidiary of the Company that is not a domestic public company has matters requiring announcement and reporting under subparagraph 2.3 of the preceding paragraph, the Company shall make the announcement and reporting on its behalf. 2-5 The above calculation of the proportion of the subsidiaries' loan balance of funds to others in the net value shall be based on the proportion of such subsidiaries' loan balance of funds to others in net value of the Company.	recent financial statement net worth. 2-3 The Company or its subsidiaries' new loan amount reaches NT$10 million or more and 2% or more of the Company's most recent financial statement net worth. 2-4 If a subsidiary of the Company that is not a domestic public company has matters requiring announcement and reporting under subparagraph 2.3 of the preceding paragraph, the Company shall make the announcement and reporting on its behalf. 2-5 The above calculation of the proportion of the subsidiaries' loan balance of funds to others in the net value shall be based on the proportion of such subsidiaries' loan balance of funds to others in net value of the Company.	

(ii) Please discuss.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:

Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,495,912 votes (including e-voting：52,437,879 votes)	92.23%
Votes in against:：47,265 votes (including e-voting：47,265 votes)	0.07%
Votes in invalid：5,130,539 votes (including e-voting：5,130,539 votes)	7.69%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 92.23% of the votes in favor represented by the shareholders present, and the proposal for "renaming and partial amendments to the Company's Operating Procedures for Loaning Funds to Others" be and hereby was accepted as proposed.

6. Elections

Proposal 1 .... (Proposed by the Board of Directors)

Subject: Comprehensive election of 11 directors (including 4 independent directors).

Explanation:

(i) The term of the Company's 17th board of directors expires on June 25, 2025. It is proposed to hold a comprehensive election in advance during this regular shareholders' meeting.

(ii) As per Article 13 of the Company's Articles of Incorporation, 11 directors (including 4 independent directors) are to be elected. The 18th board of directors will take office after the regular shareholders' meeting, with a term of three years from May 29, 2025, to May 28, 2028, effective from the election date. The term of the current directors will end at the conclusion of this shareholders' meeting.

(iii) List of director candidates is as follows:

Title	List of Candidates	Educational Background	Experience	Current position
Director	Hsiao, Hsiang-Chih	Bachelor of Chemistry, Tsinghua University MBA, Columbia Business School in New York City	CEO of Tex Year Fine Chemical (Guangzhou) Co., Ltd. CEO of Tex Year (Hong Kong) Ltd. Chairman of Wuxi More Tex Technology Co., Ltd.	Chairman and CEO of Tex Year Industries Inc. Chairman of Wuxi Tex Year International Trading Co., Ltd. Chairman of Tex Year Europe Sp. z o.o. Chairman of Deming Technology (Shares)
Director	Huang, Li-Hung	Master of Science, Institute of Forestry, National Taiwan University	Director of The Chinese Forest Products Association Member of the Commendation Committee, The Chinese Forest Products Association	Chairman of Wood Glue Industrial Co., Ltd.
Director	Lai, Chih-Hung	Master of Science of Wolverhampton Institute of International Business, UK	Director of National Petroleum Co., Ltd.	General Manager of Vic Hung Petroleum Chemical Co., Ltd. Chairman of Dehong Enterprise Co., Ltd.

Title	List of Candidates	Educational Background	Experience	Current position
Director	Chen, Cheng-Jen	Master's degree from Kaohsiung University	General Manager of Taicera Enterprise Company (Vietnam)	Chairman of Taicera Enterprise Company (Vietnam)
Director	Weng, Wei-Chun	Bachelor of Chemistry, Tsinghua University Ph.D. in Chemistry, University of Pennsylvania	Researcher, Industrial Technology Research Institute General Manager of SCI Pharmtech, Inc.	Chairman of SCI Pharmtech, Inc.
Director	Tex Yuan Investment Co., Ltd. Representative: Hsiao, Hsiang-Ting	B.A., Department of Advertising from National Chengchi University MBA, University of Illinois M.Ed. in Early Childhood Special Education, University of Illinois, USA Graduated from the Board Certified Behavior Analyst (BCBA), University of Washington, USA Completed 104-hour International Coaching Course, Co-Active Training Institute, USA	Behavior Analyst, Kindering (Washington State) Behavior Therapist, Early Intervention Specialist (Washington State) Head of The iPLOW Group (Washington State)	Head and Behavior Analyst, Twinkle ABA, LLC (Washington State)
Director	Adhesive Technologies, Inc. Representative: Peter Sterling Melendy.	MBA from Amos Tuck School of Finance	Adhesive Technologies, Inc. President	Adhesive Technologies, Inc. President
Independent Director	Tseng, Tsai-Wei	BSc. in Chemistry from Tamkang University MSc. in Chemistry from National Tsing Hua University University of Texas at	Leader of Specialty Polymers Group at Industrial Technology Research Institute General Manager of Shi Limei Technology Co., Ltd.	General Manager of JPT Corporation

Title	List of Candidates	Educational Background	Experience	Current position
		Austin Research and Visiting Scholar	Chairman of JPT Corporation	
Independent Director	Lin, Shu-Chuan	MSc. in Science and Technology Law from National Chiao Tung University	Lawyer, Patent Agent, and Arbitrator at Hung Sheng Maritime & Commercial Law Firm	Senior Partner at Dentons Taiwan Law Firm
Independent Director	Hsu, Chih-Chiang	Master of Materials Science and Engineering, National Tsing Hua University MBA, Wharton School, University of Pennsylvania, USA	Financial Manager, HSBC New York Headquarters, USA Deputy Chief Accountant, Canadian Imperial Bank of Commerce of New York, USA Vice President of Hexawave Inc. Senior Consultant, Atelligent Global Consulting Corporation	Adjunct Associate Professor of Practice, Department of Quantitative Finance, National Tsing Hua University
Independent Director	Chien, Ho-Ying	Department of Public Finance from National Chengchi University EMBA	Specialist, Taipei Exchange	Head of Qunyue Accounting Firm

(iv) Please vote.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:

The list of elected Directors for the 18th term of the Company is as follows:

Title	Shareholder Account Number	Name	Number of Votes Received
Director	37	Hsiao, Hsiang-Chih	107,826,548
Director	102	Tex Yuan Investment Co., Ltd. Representative: Hsiao, Hsiang-Ting	79,221,609
Director	4065	Lai, Chih-Hung	70,099,165
Director	6933	Huang, Li-Hung	65,224,594
Director	9067	Adhesive Technologies, Inc. Representative: Peter Sterling Melendy.	62,521,924
Director	3665	Chen, Cheng-Jen	62,221,184
Director	41517	Weng, Wei-Chun	48,295,017
Independent Director	-	Chien, Ho-Ying	43,877,463
Independent Director	7133	Tseng, Tsai-Wei	43,131,265
Independent Director	-	Lin, Shu-Chuan	43,018,774
Independent Director	-	Hsu, Chih-Chiang	43,015,161

7. Discussion II

Proposal 1 .... (Proposed by the Board of Directors)

Subject: Removal of non-compete restrictions for newly elected directors and representatives of corporate directors. Please discuss.

Explanation:

(i) In line with the expiration and re-election of the current board, pursuant to Article 209 of the Company Act, directors engaging in activities within the Company's business scope, either for themselves or others, shall explain the essential details of such activities to the shareholders' meeting and obtain approval.

(ii) As the newly elected directors and their (corporate director) representatives may invest in or operate other companies with business related to or similar to the Company's business scope, it is proposed to seek approval of the shareholders' meeting to remove the non-compete restrictions for such directors and their (corporate director) representatives, if applicable.

(iii) Details of non-compete activities for newly elected directors (including their representatives):

Persons subject to removal of non-compete restrictions	Name of affiliate with concurrent position	Concurrent position(s)
Hsiao, Hsiang-Chih	Wuxi Tex Year International Trading Co., Ltd.	Chairman
	Tex Year Europe Sp. z o.o.	Chairman
	Tex Year Minima Technology Inc.	Chairman
Huang, Li-Hung	Wood Glue Industrial Co., Ltd.	Chairman
Tseng, Tsai-Wei	JPT Corporation	General Manager
Peter Sterling Melendy	Adhesive Technologies, Inc.	President

(iv) Please discuss.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Voting Results:
Shares represented at the time of voting: 66,673,716

Voting Result	Propotion to the total represented shares present
Votes in favor：61,327,577 votes (including e-voting：52,269,544 votes)	91.98%
Votes in against:：58,951 votes (including e-voting：58,951 votes)	0.08%
Votes in invalid：5,287,188 votes (including e-voting：5,287,188 votes)	7.92%
Votes abstained：0 votes	0.00%

Resolved, the proposal was 91.98% of the votes in favor represented by the shareholders present, and the proposal for "Removal of non-compete restrictions for newly elected directors and representatives of corporate directors" be and hereby was accepted as proposed.

8. Extempore Motions : None

9. Adjournment : 10:30 a.m. on May 29, 2025

Attachments

Attachment 1

Tex Year Industries Inc.
Business Report

To the Shareholders of Tex Year Industries Inc.,

In response to the recent U.S. announcement of implementing a reciprocal tariff policy, the global industry supply chain is facing daunting challenges. Tex Year places high importance on the potential impacts of this policy and has promptly initiated assessments and strategic adjustments. Tex Year has long development business in major markets in Europe, mainland China, Taiwan, ASEAN, and India and has established a robust local operational foundation and manufacturing network. According to 2024 operational data, revenue from direct sales to customers in the U.S. market accounts for less than 3% of total revenue, showing relatively limited direct exposure to this market. In respect of its global production system, Tex Year has established subsidiaries or factories or strategic partners' facilities in Taiwan, mainland China, Vietnam, India, Europe, and the United States. It is expected that adjustments to the supply chain strategy will mitigate at least the partial impact from the tariff crisis. Tex Year's green materials and specialty chemicals are marketed in over 100 countries worldwide, most of which are supported by local demand, and the domestic market continues to grow steadily. While this provides solid support for the Company's revenue, we must still address potential impacts cautiously.

In 2024, there were multiple global political and economic challenges, with escalating U.S.-China War, ongoing inflationary pressures, and supply chain issues remaining key concerns for business operations. Nevertheless, Tex Year, with its agile response strategies, not only steadily advanced its global expansion but also achieved outstanding results in operational performance, green innovation, and sustainable development. In the 2024 "Top 100 Traditional Industry Operational Performance" ranking by CommonWealth Magazine, Tex Year was ranked 85th, excelling in three key indicators: "revenue growth," "profit growth," and "return on equity growth". This highlights the Company's robust operational strength and sustained growth momentum.

In the first half of 2024, Tex Year took a significant step in mainland China by officially launching the East China Operation Center (ECOC). The center has integrated diverse functions, including R&D, operations, administration, and back office, enhancing local service efficiency and laying a solid foundation for market development in East and North China. Meanwhile, the Company continues to strengthen its overseas market expansion, with the second factory in India nearing completion. This will further enhance our competitiveness in India and South Asia and enhance growth momentum for regional operations.

As for corporate governance, Tex Year's efforts have once again been recognized. The Company has improved in the corporate governance evaluations over the years, maintaining a ranking in the top 6% to 20% of TWSE-listed companies in 2024 and ranking in the top 1% among companies with a market capitalization below NT$5 billion. In addition, in its first participation in the Asia's Asia Responsible Enterprise Awards (AREA) hosted by Enterprise Asia in 2024, Tex Year won the "Green Leadership Award." It also received dual honors at the 2nd New Taipei Enterprise Classic Awards in "Sustainable Development" and "International Category - High-Potential Enterprise". These accolades affirm the Company's outstanding achievements in ESG sustainability and international market expansion and has further solidified its leading position in the industry.

Over the past four years, Tex Year has actively promoted the "Green Platform Strategy® (GPS) platform", through which we strive to introduce cross-field and cross-border collaborations, to navigate the new blue ocean of green materials and carbon reduction solutions for strategic partners. Facing the challenges and opportunities brought by climate change, businesses must adopt new ways of thinking, innovative tools, and forward-looking approaches to transform future challenges into growth opportunities, proactively plan ahead, seize early opportunities, and lead market development through innovative reforms. In addition to market success, Tex Year attaches great importance to exchanges and collaborations with international partners. At the end of 2024, Tex Year hosted the GPS Thanksgiving Summit Dinner, bringing together representatives from industry, government, academia, and public charity organizations to discuss the future development of green and sustainable materials, thereby further deepening multinational partnerships.

Also, we actively organized various social care activities, including Earth Day initiatives, support for underprivileged groups, employee exercise and health programs, blood drives, beach cleanups, and family day events, such as rice planting and harvesting. These efforts not only strengthened internal cohesion but also demonstrated Tex Year's commitment to environmental protection and shared prosperity with society. We firmly believe that an enterprise's influence extends beyond market competition and operational performance. It should also contribute to society and partners through physical actions for comprehensive sustainable development.

Over the past 48 years, Tex Year has focused on the research, development, and application of green, low-carbon adhesive products and materials. The Company has established eight production facilities and six R&D centers across Taiwan, Europe, India, Vietnam, and mainland China, building a robust global network to provide real-time and efficient localized services. Through independent R&D and diverse technological collaborations, we deliver Total Solutions to clients across various industries. Particularly, we continue to develop sustainable products on the

GPS platform, facilitating green innovation. Looking ahead, Tex Year will continue to expand its global market presence, leading the industry toward sustainable development and carbon reduction transformation, achieving the goals of corporate growth and environmental co-existence.

Tex Year is committed to creating stable returns for shareholders, providing growth opportunities for employees, continuing to fulfill corporate social responsibilities, and deepening its focus on environmental sustainability, so as to set a corporate model that balances economic benefits with social value. We believe that only by moving forward and keeping pace with the times can we meet the expectations of all stakeholders and collectively advance toward a more resilient and sustainable future.

Best wishes to all.

Good health and good luck.

Chairman Hsiao, Hsiang-Chih

I. 2024 Operating Performance:

(I) Implementation Outcome of Business Plans

Unit: All amounts in New Taiwan Dollars (Thousand), unless stated otherwise.

Item	2023	2024	Increase or decrease (%)
Consolidated Revenue	3,310,758	3,679,001	11
Consolidated Operating Income	30,190	173,812	476
Consolidated Before Tax Income	110,288	203,977	85

(II) Budget Execution

The Company only sets internal budget goals and does not disclose financial forecast figures publicly.

The estimated consolidated operating revenue for 2024 was NT$3,837,937 thousand, and the actual consolidated operating revenue was NT$3,679,001 thousand, with a budget achievement rate of 96%.

(III) Financial Revenue and Expenditure and Analysis of Profitability

Item		2024 (Consolidated)
Financial structure	Debt to asset ratio (%)	43.89
	Long term capital to property, plant and equipment ratio (%)	195.05
Solvency	Current ratio (%)	164.21
	Quick ratio (%)	112.64
	Interest coverage ratio (times)	1,446.83
Profitability	Return on assets (%)	5.74
	Return on equity (%)	10.67
	Pre-tax net profit to paid-in capital ratio (%)	17.81
	Net profit ratio (%)	4.50
	Earnings per share (NTD)	1.50

(IV) Research and Development Status

i. Technology Level and Research Development

There are three major targets for research and development: new products, new processes, and new industries, which are described as follows.

A. Adhesive products:

(i) Hot melt adhesive:

In line with sustainability, we actively develop environmentally friendly hot melt adhesives that are energy-saving, carbon-reducing, recyclable, and reduce plastic use. These adhesives can be used in industries such as home appliances, electronics, telecommunications, packaging, filters, medical materials, woodworking, DIY, bookbinding, and hygiene products.

We have also developed the BIONIS series of bio-based and biodegradable hot melt adhesives to achieve perfect sustainability, environmental protection and friendliness.

In addition, we have developed halogen-free flame-retardant hot melt adhesives that reduce greenhouse gas emissions and are environmentally friendly.

To meet the high-performance requirements of the automotive and mattress industries, we have developed special adhesive strips, low-temperature operation, high-temperature resistance, low VOC emissions, and other hot melt adhesive products to expand our marketing areas, meet market demands, and improve our hot melt adhesive product line.

(ii) Water-based adhesive:

Develop environmentally friendly water-based adhesive that can replace solvent-based adhesives for tape, labels, packaging and other applications. It has the characteristics of fast processing, water resistance, low white mist, high temperature resistance, low temperature and low surface energy material adhesion.

(iii) Participate in the Ministry of Economic Affairs Technology Research and Development Project to develop sustainable and environmentally friendly hot melt adhesive products for the target industries of paper straw lamination and structural adhesive.

B. Special chemical products:

(i) UV-curing adhesive, PUR adhesive, adhesive for automated production of LCD panels, adhesive for LED UV curing.

(ii) UV curing filling adhesive series for the carbon fiber composite industry.

(iii) UV-curable coatings: high-matte UV-curable coating for PVC flooring, matte UV-curable coating for SPC flooring.

(iv) Specialty chemicals: low-odor two-component acrylic adhesive (SGA) that is user-friendly for industries such as speakers, optoelectronics, and motors.

(v) UVpressure-sensitive adhesive: solvent-free, high-value, and environmentally friendly UV pressure-sensitive adhesive with excellent temperature reliability that can be processed automatically.

C. Filter materials:

(i) Functional filter materials with antibacterial, antiviral, and anti-allergy properties.

(ii) Chemical filters for the semiconductor industry.

(iii) Low-resistance filter materials for professional respirators/masks.

(iv) H14 and U15 high-efficiency low-resistance melt-blown filter materials for household air purifiers.

(v) Filter materials for household air conditioning.

ii. Educational and professional backgrounds of the Group’s research and development personnel

December 31, 2024

Item / Educational Background	Master (PhD) and above	University (College)	High School (Vocational School)	Total
Number of People	30	21	0	51
Ratio (%)	59	41	0	100

II. Summary of 2025 operation plan

(I) Strategy:

i. Consider issues of concern to all stakeholders as important references for management guidelines and implementation plans, ensuring balanced and sustainable operations.

ii. Development of environmental protection, safety and health-related materials and solutions.

iii. Focus on global niche markets, promote the development of Tex Year’s brands, and jointly create customer value.

iv. Commitment to sustainable development and corporate social responsibility.

(II) Expected Sales Quantity and Basis:

The expected sales quantity of the self-produced hot melt adhesive products for 2025 is approximately 37,599 metric tons. This estimate is based on past sales, future market supply and demand, and industry environment.

(III) Key Production and Sales Policies

i. Promote the GPS green materials strategic cooperation platform and combine upstream and downstream strategic partners to collaboratively develop green materials and carbon reduction solutions.

ii. Increase the global market share of Tex Year's brand products.

iii. Focus on the development of new energy vehicles and energy storage industries.

iv. Use production bases in Vietnam and India to expand into the emerging ASEAN and South Asian markets.

v. Integrate group resources, expand sales synergy, adopt division of labor and cooperation, globalize management, and pursue the best interests of the group.

vi. Strengthen international marketing and domestic and overseas cooperation relationships, form an international distribution network, and increase market share.

vii. Coordinate the group's procurement and production resources, reduce costs, and pursue sustainable development.

viii. Form strategic alliances with international customers, supply and sell globally, and expand economic scale and product lines.

ix. Use core technologies to develop high value-added products and strengthen new product business development.

x. Improve production technology, reduce manufacturing costs, and rely on automation, energy-saving, and environmentally friendly processes.

xi. Expand the breadth and depth of green and sustainable products through independent development and technical cooperation.

III. Future Company Development Strategy

"Pursue Balanced Development Persistently" is our business philosophy. We are committed to achieving a balanced development of the interests of shareholders, colleagues, and short-term and long-term interests.

IV. Impact of External Competitive, Regulatory, and Overall Business Environments

(I) The escalating confrontation between the U.S. and China continues to have profound impacts on the global economic landscape, and the stalemate in the Russo-Ukrainian War exacerbates geopolitical risks, posing significant challenges to business operations. In this environment, enterprises must possess agile new product development capabilities, internationalized supply chain networks, and effective cost-pass-through strategies to maintain competitiveness and operational resilience.

(II) The United Nations Climate Change Conference (COP29) focused on climate financing, carbon markets, and clean energy. It promoted global carbon trading mechanisms and enhanced transparency in carbon markets. It also supported energy transitions and economic development. Despite progress, developing countries still consider funding insufficient, and attention must be paid to the fulfillment of commitments moving forward.

(III) Environmental regulations in Taiwan and internationally are becoming increasingly strict in terms of green and environmental protection standards. Sustainable circular economy products and technologies are opportunities for future industrial transformation.

(IV) With the global trend toward net-zero emissions, enterprises must develop carbon management plans in advance and closely integrate environmental, social, and governance (ESG) principles with their business models to maintain green competitiveness.

(V) In this critical period of simultaneous AI-driven digital transformation and green transition, only by accelerating strategic adjustments and strengthening resilience can enterprises identify opportunities amid change.

Chairman: Hsiao, Hsiang-Chih General Manager: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Attachment 2 Audit Committee’s Review Report

Tex Year Industries Inc.

Audit Committee’s Review Report

Hereby approved

The Board of Directors has prepared the Company’s 2024 Business Report and Financial Statements. The CPA of Deloitte & Touche, Tsai, Yu-Ling and Chuang, Pi-Yu, were retained to audit the Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members.

Regards,

2025 Regular Shareholders’ Meeting

Convener of the Audit Committee

Wang, Chung-Ping

March 12, 2025

Attachment 3 Operational Guidelines for Financial Business Between Related Parties

Tex Year Industries Inc.

Operational Guidelines for Financial Business Between Related Parties

Approved by the Board of Directors on November 14, 2024

Article 1 To regulate financial and business transactions between the Company and related parties, prevent non-arm's-length transactions and inappropriate transfer of benefits in matters with related parties, such as purchases and sales of goods, acquisition or disposal of assets, endorsements/guarantees, and loaning of funds, these Operating Procedures are hereby established in accordance with Article 17 of the Company's Corporate Governance Best Practice Principles for compliance.

Article 2 Financial and business transactions between the Company and related parties shall comply with these Operating Procedures, unless otherwise stipulated by law, the Articles of Incorporation, or internal operational regulations.

Article 3 The term "related parties" in these Operating Procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "affiliates" refers to enterprises, as defined under Article 369-1 of the Company Act, that exist independently and have the following relationships:

1. Companies with a controlling and subordinate relationship.
2. Companies with mutual investments as stipulated under Article 369-9 of the Company Act.

When determining the controlling and subordinate relationships mentioned above, both legal form and substantive relationships shall be considered.

Article 4 The Company shall establish an effective internal control system for transactions with related parties (including affiliates) based on its overall operating activities, and regularly review the system to adapt to changes in the internal and external environment, thus ensuring the continued effectiveness of its design and implementation.

The Company shall, after considering the local government regulations of its subsidiaries' locations and their actual operating nature, urge its subsidiaries to establish effective internal control systems; if affiliates are non-public companies, the Company shall still consider the extent of their impact on the Company's financial and business operations and require them to establish effective internal control systems and financial, business, and accounting management systems.

Article 5 To supervise the management of affiliates, in addition to complying with the Company Act, Securities and Exchange Act, as well as the Company's internal control systems and operational regulations, the Company shall pay attention to the following:

1. Based on affiliates' shareholding ratio and equity structure, the Company shall strive to secure appropriate director and supervisor seats.
2. Directors appointed by the Company to affiliates shall regularly attend their board meetings, where management presents corporate goals and strategies, financial condition, operating results, cash flows, and major contracts to keep abreast of their operations. They shall also complete pre- and post-meeting reporting forms, investigate the reasons for any abnormalities, and record them, and report them to the Company's investment division for further submission to the Chairman.
3. Supervisors appointed by the Company to affiliates shall oversee their business execution, and investigate financial and operational conditions, audit books and documents, and audit reports; and may request reports from their board of directors or management as needed. For abnormalities (e.g., significant defects in internal controls or operations), the reasons shall be investigated, and reported to the investment division for further submission to the Chairman. When necessary, professional CPAs may be engaged in accordance with the Company Act to jointly conduct an audit at affiliates.
4. The Company shall appoint qualified personnel to take key decision-making positions at affiliates, such as general manager, financial officer, or chief internal auditor, to assume responsibilities for management, decision-making, and supervision.
5. Based on subsidiaries' nature, scale, and employee count, the Company shall guide them to establish procedures and methods for self-inspection of their internal control systems.
6. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the Company's internal auditors shall also conduct regular or ad hoc audits at the subsidiaries. After the audit findings and suggestions are submitted for approval, the audited subsidiaries shall be notified to make improvements, and follow-up reports shall be prepared periodically to ensure that appropriate corrective actions have been taken in a timely manner.
7. Subsidiaries shall submit monthly financial statements, including balance sheets, income statements, statements of cash flows, accounts receivable aging analysis, overdue receivables details, inventory aging analysis, and monthly reports on

loans to others and endorsements/guarantees. For any abnormalities discovered, an analysis report shall be submitted for the Company’s oversight. Other affiliates shall provide quarterly financial statements, including balance sheets and income statements, for the Company’s analysis and review.

Article 6 The Company’s managers shall not concurrently serve as managers of affiliates or engage in or operate businesses similar to the Company’s, unless approved by the board of directors. Personnel management responsibilities between the Company and affiliates shall be clearly delineated, and personnel sharing shall be avoided. If support or transfers are necessary, the scope of work, responsibilities, and cost allocation methods shall be predefined.

Article 7 The Company shall establish effective financial and business communication systems with affiliates and periodically conduct comprehensive risk assessments of correspondent banks, major clients, and suppliers to mitigate credit risks. For affiliates with financial or business transactions with the Company, the Company shall closely monitor significant financial and business matters for risk management.

Article 8 Loans or endorsements/guarantees with related parties shall be prudently evaluated and comply with the “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” and the Company’s Operating Procedures for Loaning Funds to Others and Operating Procedures for Endorsements/ Guarantees

The Company shall undergo a detailed review of the following for loans or endorsements/guarantees with related parties and submit evaluation results to the board of directors. Loans to others shall be approved by the board of directors and may not be delegated to others for decision-making. For endorsements/guarantees, the Chairman may be authorized by the board of directors for decision-making within a certain limit as stipulated in the preceding paragraph, but such actions shall be reported to and ratified by the upcoming board meeting afterwards.

1. Necessity and reasonableness of the loan or endorsement/ guarantee. For loans or endorsements/guarantees due to business transaction relationships, the appropriateness of the loan amount or endorsement/ guarantee amount relative to the transaction amount shall be evaluated; if there is a necessity for short-term financing, the reasons and circumstances for the loan shall be specified.
2. Credit investigation and risk assessment of the loan or endorsement/ guarantee recipient.
3. Impact on the Company’s operational risk, financial condition, and shareholders’ equity.

4. Whether collateral is required and the assessed value of the collateral. For matters concerning loaning or guarantees, subsequent control measures shall be strictly implemented. If there is a risk of overdue receivables or potential losses, appropriate measures shall be taken to safeguard the Company's interests.

For subsidiaries in which the Company directly or indirectly holds 90% or more of the voting shares, endorsements/guarantees under Article 5, Paragraph 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" shall be approved by the Company's board of directors before proceeding. However, the endorsement guarantee for loans between companies in which the Company holds 100% of shares with voting rights directly and indirectly, is not subject to such limitation.

Loans between the Company and its parent or subsidiaries, or between its subsidiaries, shall be submitted for resolution by the board of directors, and the Chairman may be authorized to make multiple disbursements or revolving drawdowns to the same borrower within a certain limit approved by the board of directors and for a period not exceeding one year.

For loans or endorsements/guarantees with related parties, the Company shall fully consider the opinions of independent directors, with their explicit agreement or objections, along with the reasons for objections, recorded in the board meeting minutes.

For loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares due to short-term financing needs, the loan amount is not subject to the lending enterprise's 40% net worth restriction.

Companies in which the Company directly and indirectly holds 90% or more of the voting shares may provide endorsements/guarantees for each other, and the total amount shall not exceed 10% of the Company's net worth. However, the endorsement guarantee for loans between companies in which the Company holds 100% of shares with voting rights directly and indirectly, is not subject to such limitation.

For matters concerning loaning or guarantees, subsequent control measures shall be strictly implemented. If there is a risk of overdue receivables or potential losses, appropriate measures shall be taken to safeguard the Company's interests.

Article 9 For business transactions with related parties, the Company shall clearly specify pricing conditions and payment terms. The purpose, price, conditions, substance, form, and related procedures of the transactions shall not be significantly disaligned with or unreasonable compared to normal transactions with non-related parties.

When procuring finished goods, semi-finished goods, or raw materials from related parties due to business needs, procurement personnel shall comprehensively evaluate the reasonableness of the related party's quotation based on market prices and other transaction conditions. Unless special factors or better conditions compared to general suppliers justify preferential pricing or payment terms under reasonable agreements, all other procedures shall comply with the Company's procurement management rules.

When selling finished goods, semi-finished goods, or raw materials to related parties, the Company shall reference prevailing market prices for quotations. Unless long-term partnerships or other special factors justify preferential pricing or payment terms under reasonable agreements, pricing and payment terms shall align with those for general customers.

For labor or technical services with related parties, a contract shall be signed by both parties, specifying service content, fees, duration, and payment terms. All contract terms shall adhere to general commercial practices.

The accounting personnel of the Company and related parties shall, by the end of each month, reconcile the previous month's purchases, sales, and balances of receivables and payables. Any discrepancies shall be investigated, and a reconciliation statement prepared.

Article 9-1 For transactions with related parties involving purchases, sales, labor, or technical services where the estimated annual transaction amount reaches 5% or more of the Company's most recent consolidated total assets or consolidated net operating revenue, except for transactions subject to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the Company's procedures for acquisition or disposal of assets, or transactions between the Company and its subsidiaries or between its subsidiaries, the following information shall be submitted to the board of directors for approval before proceeding:

1. Transaction items, purpose, necessity, and estimated benefits.
2. Reasons for selecting a related party as the transaction counterparty.
3. Principles for calculating transaction prices and the estimated annual transaction amount cap.
4. Explanation of whether transaction conditions comply with normal commercial terms and do not harm the Company's interests or shareholders' equity.
5. Restrictions and other significant agreed terms. For the above transactions with related parties, the following matters shall be reported to the upcoming shareholders' meeting after the end of the year:
   (1) Actual transaction amounts and conditions.
   (2) Whether the transactions were conducted in accordance with the pricing principles approved by the board.

(3) Whether the annual transaction amount cap approved by the board was exceeded. If the annual transaction amount cap was exceeded, the reasons, necessity, and reasonableness shall be explained.

Article 10 Transactions with related parties involving assets, derivatives, business mergers, divisions, acquisitions, or share transfers shall comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and the Company’s procedures for acquisition or disposal of assets. For the acquisition or disposal of securities from or to related parties, or the acquisition of affiliates’ securities, such companies’ most recent CPA-audited or reviewed financial statements, shall be obtained prior to the transaction date as a reference for evaluating the transaction price. For the acquisition or disposal of unlisted or privately placed securities, membership certificates, intangible assets, or their right-of-use assets from or to related parties, where the transaction amount reaches NT$300 million or more, a CPA shall be engaged to provide an opinion on the reasonableness of the transaction price.

Article 11 For the acquisition or disposal of real estate or its right-of-use assets from or to related parties, or the acquisition or disposal of assets other than real estate or its right-of-use assets with related parties where the transaction amount reaches NT$300 million or more, except for transactions involving domestic government bonds, bonds with repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the audit committee for approval and then to the board of directors for approval before signing the transaction contract and making payments:

1. Appraisal reports issued by professional appraisers as required by regulations or opinions from a CPA.
2. Purpose, necessity, and expected benefits of acquiring or disposing of property.
3. Reasons for selecting a related party as the transaction counterparty.
4. Relevant information on the reasonableness of the proposed transaction conditions.
5. Matters, such as the related party’s initial acquisition date and price, transaction counterparty, and its relations with the Company and the related party.
6. Cash flow forecast for each month of the next year from the scheduled contract execution month, and assessment of the necessity of the transaction and the reasonableness of capital utilization.
7. Restrictions and other important agreements of this transaction.

For transactions with a transaction amount of NT$300 million or more, an appraisal report from a professional appraiser shall be obtained. For transactions of NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. If the appraisal result differs from the transaction amount by 20% or more, or the difference between the appraisal results of two or more appraisers exceeds 10% of the transaction amount, a CPA shall be engaged to provide a specific opinion on the reasons for the discrepancy and the fairness of the transaction price, and the transaction shall be approved by a majority vote of at least two-thirds of the directors present at a board meeting.

For the acquisition of real estate or its right-of-use assets from related parties, if the actual transaction price is higher than the appraised transaction cost and no objective evidence or specific reasonable opinions from professional real estate appraisers and CPAs are provided, the audit committee shall thoroughly evaluate whether the transaction harms the Company or shareholders' interests. If necessary, the audit committee shall reject the transaction and notify the board to halt it.

If the board still approves the above transaction, the Company shall appropriate the difference between the transaction price and the appraised cost to a special reserve, which may not be distributed or used for capital increase or share issuance. The handling of such transactions shall be reported to the shareholders' meeting, with detailed transaction information disclosed in the annual report and prospectus.

For related party transactions with any of the following circumstances, even after approval of the board of directors, the information listed under subparagraphs of Paragraph 1 shall be submitted to the shareholders' meeting for resolution, and shareholders with a personal interest involved in the transaction shall not participate in the voting:

1. Transactions under Paragraph 1 by the Company or its non-domestic public company subsidiaries where the transaction amount reaches 10% or more of the Company's total assets.
2. Transactions where the amount or conditions have a significant impact on the Company's operations or shareholders' equity as stipulated by the Company Act, the Company's Articles of Incorporation, or internal procedures.

For transactions between the Company and related parties under Paragraph 1, the actual transaction details (including actual transaction amounts, conditions, and information listed in Paragraph 1) shall be reported to the upcoming shareholders' meeting after the end of the year.

Article 12 For financial and business transactions between the Company and related parties requiring board approval, the opinions of independent directors shall be fully considered. If an independent director expresses dissenting or reserved opinions, such opinions shall be recorded in the board meeting minutes.

Directors who have a personal interest or whose legal entity represented has an interest in the matters discussed at the meeting, which may prejudice the interests of the Company, shall not participate in the discussion or voting on such matters and shall not act as proxy for other directors to exercise their voting rights. Directors shall exercise self-discipline and avoid improper mutual support.

Supervisors shall, upon discovering that the board or directors violate laws, the Articles of Incorporation, or shareholders' meeting resolutions, immediately notify the board or directors to cease such actions and take appropriate measures. If necessary to prevent the escalation of misconduct, it shall be reported to the relevant regulatory authorities or units.

Article 13 The Company shall comply with regulations regarding announcements or reporting and their deadlines, promptly arranging for subsidiaries to provide necessary financial and business information or engaging CPAs to audit or review subsidiaries' financial statements.

The Company shall announce the consolidated balance sheet, consolidated statement of comprehensive income, and CPA's review report of affiliates by the financial statement filing deadline as required by law. Any changes in affiliates shall be reported to the Taiwan Stock Exchange Corporation within two days of the change.

Significant transactions between the Company and related parties shall be fully disclosed in the annual report, financial statements, financial statements of affiliates, and prospectus.

If a related party experiences financial difficulties, the Company shall obtain its financial statements and related information to assess the impact on the Company's financial, business, or operational conditions. If necessary, appropriate measures shall be taken to safeguard the Company's claims. In such cases, in addition to disclosing the impact on the Company's financial condition in the annual report and prospectus, the Company shall publish material information on the MOPS in real-time.

Article 14 If an affiliate encounters any of the following circumstances, the Company shall announce and report the relevant information on its behalf:

1. If a subsidiary whose shares are not publicly issued domestically reaches the threshold for public announcement and reporting regarding the acquisition or disposal of assets, provision of endorsements/guarantees, or loans to others.

2. Relevant matters concerning the parent company or a subsidiary undergoing bankruptcy or reorganization proceedings in accordance with applicable laws and regulations.
3. Significant decisions made by the board of directors of an affiliate that have a material impact on the Company's shareholders' equity or the price of its securities.
4. If a non-publicly issued subsidiary of the Company has any material information that meets the disclosure requirements stipulated in the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities".

Article 15 These Operating Procedures shall be implemented upon approval by the board of directors, and the same shall apply to any amendments made.

Attachment 4 Consolidated Financial Statements and Independent Auditor's Report

INDEPENDENT AUDITOR'S REVIEW REPORT

To: Tex Year Industries Inc.

Audit Opinion

We have duly audited the consolidated balance sheet of Tex Year Industries Inc. and its subsidiaries as of December 31, 2024 and 2023, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2024 and 2023 as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretation Announcements issued by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Tex Year Industries Inc. and its subsidiaries as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the years 2024 and 2023 from January 1 to December 31.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the consolidated financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tex Year and its subsidiaries in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

A key audit matter is one that, in our professional judgment, is material to the examination of the consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2024. These matters have been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

The key audit matters of the financial statements of Tex Year Industries Inc. and its subsidiaries for 2024 are summarized as follows:

Authenticity of sales revenue

The sales revenue of Tex Year Industries Inc. and its subsidiaries from selling products to specific customers in 2024 increased compared to the same period last year, which has a significant impact on the consolidated financial statements' sales revenue and financial performance of Tex Year Industries Inc.; therefore the authenticity of recognition of the sales revenue is listed as a key audit matter.

For the accounting policies and relevant disclosure information related to sales revenue, please refer to notes 4 (13), 25 and 37 to the consolidated financial statements.

Our audit procedures for assessing the authenticity of the sales revenue in the course of the audit are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to the authenticity of sales revenue.
2. Obtain on a sample basis the transaction documents of the aforementioned sales revenue, including sales orders, shipping documents and collection documents, to verify the authenticity of the sales revenue recognized.

Other Matters

The consolidated financial statements of Tex Year Enterprises, Inc. and its subsidiaries, certain subsidiaries and investment companies using the equity method have not been audited by us, but by other auditors. Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the amounts included in the financial statements of certain subsidiaries and equity-method investees and the related information disclosed in the notes, is based on the reports of other auditors. The total assets of these subsidiaries as of December 31, 2024 and 2023 were NT$531,361 thousand and NT$456,285 thousand, respectively, accounting for 17% and 15% of the total combined assets; net operating income from January 1 to December 31, 2024 and 2023 was NT$478,657 thousand and NT$411,669 thousand respectively, representing 13% and 12% of the consolidated net operating income respectively. For these investments using the equity method, the balances on December 31, 2024 and 2023 were NT$4,498 thousand and NT$5,143 thousand respectively, representing 0.1% and 0.2% of the total assets, respectively. From January 1 to December 31, 2024 and 2023, the share of profit and loss of affiliates and joint ventures recognized by the equity method was losses of NT$823 thousand and NT$874 thousand, respectively, accounting for (0.4%) and (1%) of the consolidated net profit before tax respectively.

Tex Year Industries Inc. has prepared its individual financial reports for 2024 and 2023, and we have issued the audit report with unqualified opinions and notes on other matters for reference.

Responsibility of Management and Governance Unit to Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that present fairly the financial position of the Company in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing Tex Year Industries Inc. and its subsidiaries' ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate Tex Year Industries Inc. and its subsidiaries or to cease operations, or there is no practical alternative to liquidation or cessation of operations.
The governance units (the audit committee) of Tex Year and its subsidiaries are responsible for overseeing the financial reporting process.

Responsibility of Accountants Auditing Consolidated Financial Statements

The purpose of our audit is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report thereon. However, an audit performed in accordance with generally accepted auditing standards does not provide assurance that material misstatements in the consolidated financial statements will be detected. Misrepresentation may be the result of fraud or error. Individual amounts or aggregates that are not true are considered material if they could reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

We conducted our audit in accordance with generally accepted auditing standards, exercising our professional judgment and maintaining our professional skepticism. We also perform the following tasks.

1. Identify and assess the risks of material misstatement of the consolidated financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate evidence to provide a basis for an audit opinion. Because fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.

2. We obtained an understanding of the internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tex Year Enterprises, Inc. and its subsidiaries' internal control.

3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.

4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tex Year Enterprises, Inc. and its subsidiaries to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we should draw the attention of users of the consolidated financial statements to the relevant disclosures in the audit report or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Tex Year Industries Inc. and its subsidiaries to cease to have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the related transactions and events.

6. We obtained sufficient and appropriate audit evidence on the financial information of the constituent entities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the Group's audits, and for forming an opinion on the Group's audits.

We will communicate with the governance unit regarding the scope and timing of the planned audit and significant audit findings, including significant deficiencies in internal control identified during the audit.

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2024. We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the reviews resulting in this independent auditors' review report are Tsai, Yu-Ling and Chuang, Pi-Yu.

Deloitte & Touche
Taipei, Taiwan

Republic of China

March 12, 2025

<u>*Notice to Readers*</u>

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

For the convenience of readers, the auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors’ report and consolidated financial statements shall prevail.

Tex Year Industries Inc. and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT$ Thousand

Code	Asset	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (notes 4 and 6)	$ 531,145	17	$ 522,197	17
1110	Current financial assets at fair value through profit or loss (notes 4 and 7)	-	-	30,393	1
1136	Current financial assets at amortized cost (notes 4 and 9)	45,785	2	21,450	1
1150	Notes receivable, net (notes 4, 5 and 10)	20,995	1	29,984	1
1170	Accounts receivable, net (notes 4, 5 and 10)	674,634	21	573,063	19
1180	Accounts receivable due from related parties, net (notes 4, 5, 10 and 32)	42,855	1	56,966	2
1200	Other receivables (notes 4 and 10)	11,267	-	11,412	1
1210	Other receivables related parties (notes 4, 10 and 32)	3,143	-	6,419	-
130X	Current inventories (notes 4, 5 and 11)	581,255	18	489,550	16
1470	Other current assets (note 17)	50,624	2	38,505	1
11XX	Total current assets	1,961,703	62	1,779,939	59
	Non-current assets				
1510	Non-current Financial assets at fair value through profit or loss (notes 4 and 7)	37,791	1	23,476	1
1535	Financial assets measured at cost after amortization - non-current (notes 4, 9 and 33)	39,425	1	40,000	1
1550	Investment under the equity method (note 4 and 13)	53,081	2	42,440	1
1600	Property, plant and equipment (notes 4, 5, 14 and 33)	953,487	30	976,708	33
1755	Right-of-use assets (notes 4 and 15)	75,801	2	76,263	3
1780	Intangible assets (notes 4, 5 and 16)	14,176	-	12,669	-
1840	Deferred tax assets (notes 4 and 27)	25,145	1	30,510	1
1990	Other non-current assets (note 10 and 17)	25,983	1	26,854	1
15XX	Total non-current assets	1,224,889	38	1,228,920	41
1XXX	Total assets	$ 3,186,592	100	$ 3,008,859	100

Code	Liabilities and equities	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities				
2100	Short-term borrowings (notes 18 and 33)	$ 545,225	17	$ 486,023	16
2150	Notes payable (note 20)	693	-	-	-
2170	Accounts payable (notes 20 and 32)	323,611	10	293,405	10
2200	Other payables (notes 21 and 32)	197,123	6	159,417	5
2230	Current tax liabilities (notes 4 and 27)	28,581	1	32,470	1
2280	Current lease liabilities (notes 4 and 15)	6,921	1	6,237	-
2320	Current portion of long-term borrowings and corporate bonds payable (notes 18, 19 and 33)	31,077	1	195,945	7
2399	Other current liabilities, others (note 21)	61,433	2	75,848	3
21XX	Total current liabilities	1,194,664	38	1,249,345	42
	Non-current liabilities				
2540	Long term borrowings (notes 18 and 33)	119,876	4	157,506	5
2570	Deferred income tax liabilities (notes 4 and 27)	63,636	2	81,874	3
2580	Non-current lease liabilities (notes 4 and 15)	5,091	-	6,819	-
2630	Non-current deferred income (note 4)	1,610	-	1,778	-
2640	Non-current net defined benefit liability (notes 4 and 23)	12,781	-	23,422	1
2670	Other non-current liabilities	883	-	764	-
25XX	Total non-current liabilities	203,877	6	272,163	9
2XXX	Total Liabilities	1,398,541	44	1,521,508	51
	Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 23, 24, 27 and 31)				
3110	Share capital - ordinary share	1,145,160	36	1,037,563	34
3200	Capital surplus	124,374	4	80,767	3
	Retained earnings				
3310	Legal reserve	145,746	5	138,235	5
3320	Special reserve	99,396	3	97,894	3
3350	Unappropriated retained earnings	207,222	6	106,614	3
3300	Total retained earnings	452,364	14	342,743	11
	Other equity interest				
3410	Exchange differences on translation of foreign financial statements	(53,445)	(2)	(86,810)	(3)
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(12,586)	-	(12,586)	-
3400	Total other equity interest	(66,031)	(2)	(99,396)	(3)
31XX	Total owner's equity of the Company	1,655,867	52	1,361,677	45
36XX	Non-controlling interests	132,184	4	125,674	4
3XXX	Total equity	1,788,051	56	1,487,351	49
	Total liabilities and equity	$ 3,186,592	100	$ 3,008,859	100

The accompanying notes are an integral part of the consolidated financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

In thousand of New Taiwan Dollars,
Except earnings per share.

		2024		2023	
Code		Amount	%	Amount	%
4000	Net operating income (notes 4, 25, 32 and 37)	$ 3,679,001	100	$ 3,310,758	100
	Operating costs (notes 4, 5, 11, 14, 22, 23, 26 and 32)				
5110	Total cost of sales	2,802,965	76	2,653,870	80
5900	Gross profit from operations	876,036	24	656,888	20
5910	Unrealized gains from joint ventures (note 4)	(34)	-	(50)	-
5950	Gross profit from operations	876,002	24	656,838	20
	Operating expenses (notes 4, 5, 10, 15, 16, 23, 26 and 32)				
6100	Marketing expenses	390,148	11	359,606	11
6200	Administrative expenses	191,537	5	168,457	5
6300	Research and development expenses	121,317	3	99,594	3
6450	Expected credit reversal gains	(812)	-	(1,009)	-
6000	Total operating expenses	702,190	19	626,648	19
6900	Net-operating income	173,812	5	30,190	1

(Continue)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Non-operating income and expenses				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (notes 4 and 13)	$ 5,225	-	($ 716)	-
7100	Interest income (notes 4 and 26)	7,650	-	13,271	-
7010	Other income (notes 4, 26, 29 and 32)	29,776	1	32,114	1
7020	Other gains and losses, net (notes 4 and 26)	1,551	-	4,147	-
7590	Miscellaneous disbursements	(6,067)	-	(6,519)	-
7510	Financial cost (notes 4, 18, 19 and 26)	(15,145)	-	(23,215)	(1)
7220	(Losses) gains on disposal of investment (notes 4 and 13)	(2,483)	-	60,801	2
7230	Foreign exchange gains (notes 4 and 35)	9,658	-	215	-
7000	Total non-operating income and expenses	30,165	1	80,098	2
7900	Net profit before tax	203,977	6	110,288	3
7950	Income tax expense (notes 4 and 27)	38,390	1	48,736	1
8200	Net profit of the current period	165,587	5	61,552	2
	Other comprehensive income (notes 4, 8, 12, 13, 23 and 27)				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	7,151	-	(1,692)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,430)	-	338	-
8310		5,721	-	(1,354)	-

(Continue)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	$ 43,413	1	$ 3,805	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,543	-	(295)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(8,341)	-	375	-
8360		36,615	1	3,885	-
8300	Total other comprehensive income	42,336	1	2,531	-
8500	Total comprehensive income of the year	$ 207,923	6	$ 64,083	2
	Net profit attributable to				
8610	owners of the Company	$ 161,039	5	$ 76,466	2
8620	Non-controlling interests	4,548	-	(14,914)	-
8600		$ 165,587	5	$ 61,552	2
	Total comprehensive income attributable to				
8710	owners of the Company	$ 200,125	6	$ 73,610	2
8720	Non-controlling interests	7,798	-	(9,527)	-
8700		$ 207,923	6	$ 64,083	2
	Earnings per share (note 28)				
9710	Basic	$ 1.50		$ 0.74	
9810	Dilute	$ 1.41		$ 0.68	

The accompanying notes are an integral part of the consolidated financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT$ Thousand

		Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 23, 24, 27 and 31)									
								Other equity items			
		Share capital			Retained earnings					Non-controlling interests	
Code		Ordinary share capital	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(notes 4 and 12)	Total equity
A1	Balance on January 1, 2023	$ 1,033,548	$ 4,015	$ 80,531	$ 135,480	$ 118,648	$ 34,254	($ 85,308)	($ 12,586)	$ 137,092	$ 1,445,674
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,313)	(1,313)
	Appropriation and distribution of retained earnings for 2022										
B1	Legal reserve appropriated	-	-	-	2,755	-	(2,755)	-	-	-	-
B3	Special reserve reversed	-	-	-	-	(20,754)	20,754	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	(20,751)	-	-	-	(20,751)
M7	Changes in ownership of equity of subsidiaries	-	-	236	-	-	-	-	-	(236)	-
I3	Conversion of bond conversion rights into share capital	4,015	(4,015)	-	-	-	-	-	-	-	-
D1	Net profit (loss) in 2023	-	-	-	-	-	76,466	-	-	(14,914)	61,552
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(1,354)	(1,502)	-	5,387	2,531
D5	Total comprehensive income in 2023	-	-	-	-	-	75,112	(1,502)	-	(9,527)	64,083
T1	Change in non-controlling interests	-	-	-	-	-	-	-	-	(342)	(342)
Z1	Balance on December 31, 2023	1,037,563	-	80,767	138,235	97,894	106,614	(86,810)	(12,586)	125,674	1,487,351
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,288)	(1,288)
	Appropriation and distribution of retained earnings for 2023										
B1	Legal reserve appropriated	-	-	-	7,511	-	(7,511)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	1,502	(1,502)	-	-	-	-
B9	Cash dividends of ordinary share	-	-	-	-	-	(57,139)	-	-	-	(57,139)
I1	Common shares converted from convertible corporate bonds	107,597	-	43,607	-	-	-	-	-	-	151,204
D1	Net profit in 2024	-	-	-	-	-	161,039	-	-	4,548	165,587
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	5,721	33,365	-	3,250	42,336
D5	Total comprehensive income in 2024	-	-	-	-	-	166,760	33,365	-	7,798	207,923
Z1	Balance on December 31, 2024	$ 1,145,160	$ -	$ 124,374	$ 145,746	$ 99,396	$ 207,222	($ 53,445)	($ 12,586)	$ 132,184	$ 1,788,051

The accompanying notes are an integral part of the consolidated financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Supervisor: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2024 and 2023

Unit: NT$ Thousand

Code		2024	2023
	Cash flow from business activities		
A00010	Profit from continuing operations before tax	$ 203,977	$ 110,288
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	97,773	101,192
A20200	Amortization expenses	6,323	7,439
A20300	Expected credit reversal gains	(812)	(1,009)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(2,237)	(2,886)
A20900	Finance costs	15,145	23,215
A21200	Interest income	(7,650)	(13,271)
A21300	Dividend income	(787)	(570)
A22300	Share of Income From Affiliates and Joint Venture Accounted for Using the Equity Method	(5,225)	716
A22900	Proceeds from disposal of lease agreement benefits	(14)	(42)
A22500	Loss (gain) on disposal of property, plan and equipment	700	(1,219)
A23200	Gains (losses) on disposal of investments	2,483	(60,801)
A23800	Impairment loss on non-financial assets	9,272	3,698
A23700	Impairment loss of property, plant and equipment and intangible assets	4,349	37,808
A23900	Unrealized profit from joint ventures	34	50
A29900	Reversal of Refund Liabilities	-	(181)
A29900	Deferred income (appropriated) reversed	(227)	1,092
A30000	Changes in operating assets and liabilities		
A31115	Financial instruments measured at fair value through the income statement	31,337	21,836
A31130	Notes receivable	8,989	(11,083)
A31150	Accounts receivable	(98,390)	52,355
A31160	Accounts receivable due from related parties	13,858	(11,889)
A31180	Other receivables	(4,533)	(2,578)
A31190	Other receivables - related parties	3,084	483
A31200	Inventories	(100,104)	166,720
A31240	Other current assets	(12,119)	(6,444)
A32130	Notes payable	693	-

(Continue)

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Code		2024	2023
A32150	Accounts payable	$ 30,206	($ 19,256)
A32180	Other payables	37,708	29,679
A32230	Other current liabilities	(14,415)	24,153
A32240	Non-current net defined benefit liability	(3,490)	(3,423)
A33000	Cash inflow generated from operations	215,928	446,072
A33100	Interest received	8,242	12,729
A33300	Interest paid	(14,017)	(21,221)
A33500	Income tax paid	(64,923)	(36,337)
AAAA	Net cash flow from operating activities	145,230	401,243
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	(23,686)	(60,374)
B00100	Acquisition of financial assets at fair value through profit or loss	(12,840)	(7,000)
B00200	Disposal of financial assets at fair value through profit or loss	762	187
B01900	Acquisition of investment by the equity method	(3,907)	(1,321)
B02300	Net cash inflow from disposal of joint venture	-	92,548
B02700	Acquisition of property, plant and equipment	(56,456)	(30,214)
B02800	Proceeds From Disposal of Property, Plants, and Equipment	1,113	4,407
B04500	Acquisition of intangible assets	(4,872)	(4,713)
B06700	(Decrease) increase in other non-current assets	194	(3,398)
B07100	Increase in prepayments for business facilities	(1,908)	(21,984)
B07600	Dividends received from joint ventures	-	7,900
B07600	Dividend received	787	570
BBBB	Net cash outflow from investment activities	(100,813)	(23,392)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	2,013,471	2,326,265
C00200	Decrease in short-term loans	(1,957,520)	(2,593,047)
C01700	Repayment of long-term debt	(52,540)	(122,303)
C04020	Repayments of the principal of lease liabilities	(8,358)	(9,301)
C04400	Increase in other non-current liabilities	119	427
C04500	Cash dividends paid	(57,139)	(20,751)
C05800	Change in non-controlling interests	-	(342)
C09900	Cash dividends from non-controlling interests paid	(1,288)	(1,313)
CCCC	Cash outflow from (used in) financing activities	(63,255)	(420,365)
DDDD	Effect of exchange rate changes on cash and cash equivalents	27,786	7,491

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Code		2024	2023
EEEE	Increase (decrease) in cash and cash equivalents	$ 8,948	($ 35,023)
E00100	Cash and cash equivalents at beginning of period	522,197	557,220
E00200	Cash and cash equivalents at end of period	$ 531,145	$ 522,197

The accompanying notes are an integral part of the consolidated financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Attachment 5 Individual Financial Statements and Independent Auditor’s Report

INDEPENDENT AUDITOR’S REVIEW REPORT

To: Tex Year Industries Inc.

Audit Opinion

We have duly audited the individual balance sheet of Tex Year Industries Inc. as of December 31, 2024 and 2023, and the individual comprehensive income statement, individual statement of changes in equity and individual cash flow statement from January 1 to December 31, 2024 and 2023, as well as notes to the individual financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the individual financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are fairly stated in terms of the individual financial position of Tex Year Industries Inc. as of December 31, 2024 and 2023, and the individual financial performance and individual cash flows for 2024 and 2023 from January 1 to December 31.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the individual financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tex Year in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

A key audit matter is one that, in our professional judgment, is material to the examination of the individual financial statements of Tex Year Industries Inc. for 2024. These matters have been considered in the process of examining the individual financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

The key audit matters of the financial statements of Tex Year Industries Inc. for 2024 are summarized as follows:

<u>Authenticity of sales revenue</u>

The sales revenue of Tex Year Industries Inc. from selling products to specific customers in 2024 increased compared to the same period last year, which has a significant impact on the individual financial report's sales revenue and financial performance of Tex Year Industries Inc.; therefore the authenticity of recognition of the sales revenue is listed as a key audit matter.

For the accounting policies and relevant disclosure information related to sales revenue, please refer to notes 4 (13) and 24 to the individual financial report.

Our audit procedures for assessing the authenticity of the sales revenue in the course of the audit are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to the authenticity of sales revenue.
2. Obtain on a sample basis the transaction documents of the aforementioned sales revenue, including sales orders, shipping documents and collection documents, to verify the authenticity of the sales revenue recognized.

Other Matters

The individual financial statements of Tex Year Enterprises, Inc. and its subsidiaries, certain subsidiaries and investment companies using the equity method have not been audited by us, but by other auditors. Accordingly, our opinion on the financial statements referred to above is based on our review of the amounts and disclosures in the notes to the financial statements of certain investees in respect of investments accounted for using the equity method. For these investments using the equity method, the balances of December 31, 2024 and 2023 were NT$285,501 thousand and NT$267,039 thousand respectively, representing 11% of the total assets, respectively. From January 1 to December 31, 2024 and 2023, the share of joint venture profit and loss recognized using the equity method was a profit of NT$19,884 thousand and a loss of NT$16,952 thousand, respectively, accounting for 12% and (18%) of the net profit before tax, respectively.

Responsibility of Management and Governance Unit to Individual Financial Statements

Management's responsibility is to prepare fairly presented financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and to maintain such internal control relevant to the preparation of financial statements as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management’s responsibility also includes assessing Tex Year Industries Inc. ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate Tex Year Industries Inc. or cease operations, or there is no practical alternative to liquidation or cessation of operations.
The governance unit (the audit committee) of Tex Year Industries Inc. is responsible for overseeing the financial reporting process.

Responsibility of Accountants Auditing Individual Financial Statements

The purpose of our audit is to obtain reasonable assurance about whether the individual financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report thereon. Reasonable assurance refers to high assurance. However, an audit performed in accordance with generally accepted auditing standards does not provide assurance that material misstatements in the individual financial statements will be detected. Misrepresentation may be the result of fraud or error. Individual amounts or aggregates that are not true are considered material if they could reasonably be expected to affect the economic decisions made by users of the individual financial statements.
We conducted our audit in accordance with generally accepted auditing standards, exercising our professional judgment and maintaining our professional skepticism. We also perform the following tasks.

1. Identify and assess the risks of material misstatement of the individual financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate evidence to provide a basis for an audit opinion. Because fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.

2. We obtained an understanding of the internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tex Year Industries Inc. internal control.

3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.

4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tex Year Industries Inc. to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we should draw the attention of users of the individual financial statements to the relevant disclosures in the audit report or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Tex Year Industries Inc. to cease to have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the individual financial statements present fairly the related transactions and events.

6. We obtained sufficient and appropriate audit evidence on the financial information of the constituent entities of the Group to express an opinion on the individual financial statements. We are responsible for the direction, supervision and execution of the Company’s audits, and for forming an opinion on the Company's audits.

We will communicate with the governance unit regarding the scope and timing of the planned audit and significant audit findings, including significant deficiencies in internal control identified during the audit.

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit matters for the audit of the annual individual financial statements of Tex Year Industries Inc. for 2024. We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tsai, Yu-Ling and Chuang, Pi-Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Tex Year Industries Inc.

Individual Balance Sheet

December 31, 2024 and 2023

Unit: NT$ Thousand

Code	Asset	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (notes 3, 4 and 6)	$ 215,594	8	$ 233,610	9
1150	Notes receivable, net (notes 4, 5 and 10)	8,982	-	14,549	1
1170	Accounts receivable, net (notes 4, 5 and 10)	151,910	6	155,429	6
1180	Accounts receivable due from related parties, net (notes 4, 5, 10 and 31)	95,139	4	94,877	4
1200	Other receivables (notes 4 and 10)	5,636	-	3,989	-
1210	Other receivables - related parties (notes 4, 10 and 31)	57,643	2	34,273	1
130X	Current inventories (notes 4, 5 and 11)	172,517	7	167,742	7
1470	Other current assets (note 16)	10,605	-	8,599	-
11XX	Total current assets	718,026	27	713,068	28
	Non-current assets				
1510	Non-current Financial assets at fair value through profit or loss (notes 4 and 7)	37,791	1	23,476	1
1535	Financial assets measured at cost after amortization - non-current (notes 4, 9 and 32)	39,425	2	40,000	2
1550	Investment under the equity method (note 4, 5 and 12)	1,354,395	50	1,201,596	47
1600	Property, plant and equipment (notes 4, 13 and 32)	496,586	19	513,378	20
1755	Right-of-use assets (notes 4 and 14)	3,148	-	2,506	-
1780	Other intangible assets, net (notes 4 and 15)	10,017	-	7,834	-
1840	Deferred tax assets (notes 4 and 26)	17,724	1	28,609	1
1990	Other non-current assets, others (note 10 and 16)	12,192	-	8,891	1
15XX	Total non-current assets	1,971,278	73	1,826,290	72
1XXX	Total assets	$ 2,689,304	100	$ 2,539,358	100
Code	Liabilities and equities				
	Current liabilities				
2100	Shot-term borrowings (notes 17 and 32)	$ 496,000	19	$ 388,000	15
2150	Notes payable (note 19)	693	-	-	-
2170	Accounts payable (note 19)	116,405	4	126,039	5
2180	Accounts payable to related parties (notes 19 and 31)	31,484	1	28,719	1
2200	Other payables (notes 20 and 31)	118,771	4	101,733	4
2230	Current tax liabilities (notes 4 and 26)	14,493	1	25,350	1
2280	Current lease liabilities (notes 4 and 14)	1,556	-	1,053	-
2320	Long-term borrowings and corporate bonds payable - current portion (notes 17, 18 and 32)	31,077	1	195,945	8
2399	Other current liabilities, others (note 20)	32,527	1	54,444	2
21XX	Total current liabilities	843,006	31	921,283	36
	Non-current liabilities				
2540	Long-term borrowings (notes 17 and 32)	119,876	4	157,506	6
2570	Deferred tax liabilities (notes 4 and 26)	56,101	2	73,973	3
2580	Non-current lease liabilities (notes 4 and 14)	1,585	-	1,385	-
2640	Net defined benefit liability, non-current (notes 4 and 22)	12,781	1	23,422	1
2670	Other non-current liabilities	88	-	112	-
25XX	Total non-current liabilities	190,431	7	256,398	10
2XXX	Total Liabilities	1,033,437	38	1,177,681	46
	Equity (notes 4, 8, 18, 22, 23 and 26)				
3100	Share capital - ordinary share	1,145,160	43	1,037,563	41
3200	Capital surplus	124,374	5	80,767	3
	Retained earnings				
3310	Legal reserve	145,746	5	138,235	6
3320	Special reserve	99,396	4	97,894	4
3350	Unappropriated retained earnings	207,222	8	106,614	4
3300	Total retained earnings	452,364	17	342,743	14
	Other equity interest				
3410	Exchange differences on translation of foreign financial statements	(53,445)	(2)	(86,810)	(3)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(12,586)	(1)	(12,586)	(1)
3400	Total other equity interest	(66,031)	(3)	(99,396)	(4)
3XXX	Total equity	1,655,867	62	1,361,677	54
	Total liabilities and equity	$ 2,689,304	100	$ 2,539,358	100

The accompanying notes are an integral part of the individual financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc.

Individual Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

In thousand of New Taiwan Dollars,
Except earnings per share.

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Net operating income (notes 4, 24 and 31)	$ 1,316,899	100	$ 1,258,549	100
	Operating costs (notes 4, 5, 11, 21, 22, 25 and 31)				
5110	Total cost of sales	1,021,791	78	985,429	78
5900	Gross profit from operations	295,108	22	273,120	22
5910	(Unrealized) realized gains from subsidiaries and joint ventures (note 4)	(1,045)	-	6,701	-
5950	Gross profit from operations	294,063	22	279,821	22
	Operating expenses (notes 4, 5, 10, 15, 22, 25 and 31)				
6100	Marketing expenses	140,830	11	122,629	10
6200	Administrative expenses	104,756	8	91,335	7
6300	Research and development expenses	74,451	5	59,444	4
6450	Expected credit reversal gains	(3,520)	-	(1,124)	-
6000	Total operating expenses	316,517	24	272,284	21
6900	Net operating income/loss	(22,454)	(2)	7,537	1
	Non-operating income and expenses				
7060	Share of profit of associates and joint ventures accounted for using equity method, net (notes 4 and 12)	158,092	12	57,069	4
7100	Interest income (notes 4, 25, and 31)	2,978	-	6,841	1
7010	Other income (notes 4, 25, 28 and 31)	25,880	2	37,413	3
7020	Other gains and losses (notes 4, 13 and 25)	1,706	-	3,853	-
7510	Finance costs (notes 4, 17, 18 and 25)	(12,279)	(1)	(15,724)	(1)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7590	Miscellaneous disbursements	($ 2,323)	-	($ 3,118)	-
7630	Foreign exchange gains – net (notes 4 and 34)	12,523	1	2,883	-
7000	Total non-operating income and expenses	186,577	14	89,217	7
7900	Net profit before tax	164,123	12	96,754	8
7950	Income tax expense (notes 4 and 26)	3,084	-	20,288	2
8200	Net profit of the current period	161,039	12	76,466	6
	Other comprehensive income (notes 4, 8, 12, 22 and 26)				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	7,151	-	(1,692)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,430)	-	338	-
8310		5,721	-	(1,354)	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	40,341	3	(1,610)	-
8370	Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,365	-	(267)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(8,341)	-	375	-
8360		33,365	3	(1,502)	-
8300	Total other comprehensive income	39,086	3	(2,856)	-
8500	Total comprehensive income of the year	$ 200,125	15	$ 73,610	6
	Earnings per Share (note 27)				
9710	Basic	$ 1.50		$ 0.74	
9810	Dilute	$ 1.41		$ 0.68	

The accompanying notes are an integral part of the individual financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc.

Individual Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT$ Thousand

Code		Share capital: Ordinary share capital (notes 4 and 23)	Share capital: Certificate of entitlement to new shares from convertible bond (notes 4 and 18)	Capital surplus (notes 4, 18 and 23)	Retained earnings (notes 4, 8, 22, 23 and 26): Legal reserve	Retained earnings (notes 4, 8, 22, 23 and 26): Special reserve	Retained earnings (notes 4, 8, 22, 23 and 26): Unappropriated retained earnings	Other equity items (notes 4, 8 and 26): Exchange differences on translation of foreign financial statements	Other equity items (notes 4, 8 and 26): Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance on January 1, 2023	$ 1,033,548	$ 4,015	$ 80,531	$ 135,480	$ 118,648	$ 34,254	($ 85,308)	($ 12,586)	$ 1,308,582
	Appropriation and distribution of retained earnings for 2022									
B1	Legal reserve appropriated	-	-	-	2,755	-	(2,755)	-	-	-
B3	Special reserve reversed	-	-	-	-	(20,754)	20,754	-	-	-
B9	Dividend to the Company's shareholders	-	-	-	-	-	(20,751)	-	-	(20,751)
M7	Changes in ownership of equity of subsidiaries	-	-	236	-	-	-	-	-	236
I3	Conversion of bond conversion rights into share capital	4,015	(4,015)	-	-	-	-	-	-	-
D1	Profit in 2023	-	-	-	-	-	76,466	-	-	76,466
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(1,354)	(1,502)	-	(2,856)
D5	Total comprehensive income in 2023	-	-	-	-	-	75,112	(1,502)	-	73,610
Z1	Balance on December 31, 2023	1,037,563	-	80,767	138,235	97,894	106,614	(86,810)	(12,586)	1,361,677
	Appropriation and distribution of retained earnings for 2023									
B1	Legal reserve appropriated	-	-	-	7,511	-	(7,511)	-	-	-
B3	Special reserve appropriated	-	-	-	-	1,502	(1,502)	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	(57,139)	-	-	(57,139)
I1	Conversion of convertible bonds	107,597	-	43,607	-	-	-	-	-	151,204
D1	Net profit in 2024	-	-	-	-	-	161,039	-	-	161,039
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	5,721	33,365	-	39,086
D5	Total comprehensive income in 2024	-	-	-	-	-	166,760	33,365	-	200,125
Z1	Balance on December 31, 2024	$ 1,145,160	$ -	$ 124,374	$ 145,746	$ 99,396	$ 207,222	($ 53,445)	($ 12,586)	$ 1,655,867

The accompanying notes are an integral part of the individual financial statements.

(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2025)

Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Supervisor: Kao, Chih-Wen

Tex Year Industries Inc.

Individual Cash Flow Statement

January 1 to December 31, 2024 and 2023

Unit: NT$ Thousand

Code		2024	2023
	Cash flow from business activities		
A00010	Profit from continuing operations before tax	$ 164,123	$ 96,754
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expenses	42,653	41,744
A20200	Amortization expenses	3,750	4,046
A20300	Expected credit reversal gains	(3,520)	(1,124)
A20400	Net gain on financial assets at fair value through profit or loss	(2,237)	(2,886)
A20900	Finance costs	12,279	15,724
A21200	Interest income	(2,978)	(6,841)
A21300	Dividend income	(787)	(570)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(158,092)	(57,069)
A22500	Loss (gain) on disposal of property, plan and equipment	545	(967)
A22900	Proceeds from disposal of lease agreement benefits	(14)	-
A23800	Impairment loss on non-financial assets	8,727	-
A23900	Unrealized (realized) gains from subsidiaries and joint ventures	1,045	(6,701)
A29900	Reversal of provision for liabilities	-	(181)
A24600	Other adjustments to reconcile profit (loss)	(24)	(25)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	5,567	(703)
A31150	Accounts receivable	7,483	3,941
A31160	Accounts receivable due from related parties	(515)	60,017
A31180	Other receivables	(1,852)	(895)
A31190	Other receivables - related parties	(23,561)	30,755
A31200	Inventories	(13,502)	5,837
A31240	Other current assets	(2,006)	2,620
A32130	Notes payable	693	-
A32150	Accounts payable	(9,634)	(18,623)
A32160	Accounts payable - related parties	2,765	19,577
A32180	Other payables	16,294	22,988
A32230	Other current liabilities	(21,917)	31,850
A32240	Non-current net defined benefit liability	(3,490)	(3,423)
A33000	Cash inflow generated from operations	21,795	235,845

(Continue)

(Continue)

Code		2024	2023
A33100	Interest received	$ 3,183	$ 6,620
A33300	Interest paid	(11,151)	(13,730)
A33500	Income tax paid	(30,699)	(8,617)
AAAA	Net cash flows from (used in) operating activities	(16,872)	220,118
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	-	(40,000)
B00050	Proceeds from disposal of financial assets at amortized cost	575	-
B00100	Acquisition of financial assets at fair value through profit or loss	(12,840)	(7,000)
B00200	Disposal of financial assets at fair value through profit or loss	762	187
B01800	Acquisition of investment by the equity method	(3,907)	(38,707)
B01900	Share payments refunded for the capital decrease of subsidiaries	-	36,081
B02700	Acquisition of property, plant and equipment	(20,566)	(9,976)
B02800	Proceeds From Disposal of Property, Plants, and Equipment	49	3,720
B03700	Increase (decrease) in refundable deposits	(1,644)	689
B04500	Acquisition of intangible assets	(4,502)	(4,518)
B06700	Increase (decrease) in other non-current assets	184	(87)
B07100	Increase in prepayments for business facilities	(6,588)	(10,762)
B07600	Dividend received	787	570
B07600	Dividends received from subsidiaries and joint ventures	49,861	100,599
BBBB	Net cash inflow from investing activities	2,171	30,796
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	1,953,000	2,184,000
C00200	Decrease in short-term loans	(1,845,000)	(2,392,412)
C01700	Repayment of long-term debt	(52,540)	(88,328)
C04020	Repayments of the principal of lease liabilities	(1,636)	(2,020)
C04500	Cash dividends paid	(57,139)	(20,751)
CCCC	Cash outflow from (used in) financing activities	(3,315)	(319,511)
EEEE	Net decrease in cash and cash equivalents	(18,016)	(68,597)
E00100	Cash and cash equivalents at beginning of period	233,610	302,207
E00200	Cash and cash equivalents at end of period	$ 215,594	$ 233,610

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Chairman: Hsiao, Hsiang-Chih President: Hsiao, Hsiang-Chih Accounting Manager: Kao, Chih-Wen