

Everest Textile Co., Ltd. and Its Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2024 and 2023 and Independent Auditors' Review Report

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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 independent auditors' report and consolidated financial statements shall prevail.

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INDEPENDENT AUDITORS' REVIEW REPORT

To: Everest Textile Co., Ltd.,

Preface

The consolidated balance sheet of Everest Textile Co., Ltd. and its subsidiaries (Everest Textile Group) as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the period from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, as well as the notes to the consolidated financial statements for the period from January 1 to June 30, 2024 and 2023 (including a summary of significant accounting policies), have been reviewed by the undersigned CPA. The management is responsible for preparing the financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" as endorsed and effective by the Financial Supervisory Commission. The responsibility of the CPA is to express a conclusion on these consolidated financial statements based on the review results.

Scope

The CPAs performed the review work in accordance with Statement on Review Engagement Standards No. 2410, "Review of Financial Statements". The procedures performed in a review of the consolidated financial statements consist of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Everest Textile Group as of June 30, 2024 and 2023, their consolidated financial performance from April 1 to June 30, 2024 and 2023, and their consolidated financial performance and cash flows from January 1 to June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

The engagement partners on the audits resulting in this independent auditors' report are Hung Ju Liao and Li-Yuan Guo.

Deloitte & Touche
Taipei, Taiwan
Republic of China
August 6, 2024

Notice to Reader

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Everest Textile Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheets
June 30 in 2024 and 2023, and December 31, 2023

Unit: NT\$ thousand

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and Cash Equivalents (Note 6)	\$ 840,839	7	\$ 708,976	6	\$ 489,264	4
1110	Financial Assets at Fair Value Through Profit or Loss – Current (Notes 7)	9	-	4,612	-	-	-
1136	Financial Assets at Amortized Cost - Current (Note 9)	136,597	1	-	-	-	-
1150	Notes Receivable (Notes 10, 21, and 26)	7,644	-	12,112	-	8,358	-
1170	Trade Receivables (Notes 10, 21, and 26)	645,077	5	762,402	6	849,888	6
1200	Other receivables (Note 26)	24,252	-	33,698	-	33,046	-
1220	Current Income Tax Assets	44,534	-	7,804	-	10,423	-
130X	Inventories (Note 11)	4,642,460	38	4,989,685	41	6,145,493	45
1470	Other Current Assets (Note 15)	80,228	1	120,660	1	169,266	1
11XX	Total Current Assets	<u>6,421,640</u>	<u>52</u>	<u>6,639,949</u>	<u>54</u>	<u>7,705,738</u>	<u>56</u>
	Non-current assets						
1517	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current (Note 8)	5,494	-	5,494	-	5,267	-
1600	Property, Plant and Equipment (Notes 13, 26 and 27)	5,070,449	42	5,050,756	41	5,428,611	39
1755	Right-Of-Use Assets (Note 14 and 26)	401,242	3	363,393	3	441,957	3
1840	Deferred Income Tax Assets	132,975	1	132,072	1	130,417	1
1975	Net Defined Benefit Assets – Non-Current (Notes 4 and 19)	421	-	5,381	-	-	-
1990	Other Non-Current Assets (Notes 9, 15, and 27)	212,649	2	149,228	1	115,358	1
15XX	Total Non-Current Assets	<u>5,823,230</u>	<u>48</u>	<u>5,706,324</u>	<u>46</u>	<u>6,121,610</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 12,244,870</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 13,827,348</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2100	Short-Term Borrowings (Notes 16, 26 and 27)	\$ 2,664,701	22	\$ 2,581,572	21	\$ 3,453,244	25
2110	Short-Term Notes and Bills Payable (Note 16)	1,499,514	12	1,349,337	11	849,590	6
2120	Financial Liabilities at Fair Value Through Profit or Loss – Current (Note 7)	378	-	71	-	1,632	-
2130	Contract Liabilities – Current (Note 21)	28,225	-	29,015	-	25,329	-
2150	Notes Payable (Note 17)	24,285	-	29,963	-	34,596	-
2160	Notes Payable to Related Parties (Notes 17 and 26)	27,014	-	42,260	1	12,894	-
2170	Trade Payables (Note 17)	353,763	3	392,496	3	314,845	2
2180	Trade Payables to Related Parties (Notes 17 and 26)	52,405	1	41,621	-	49,270	1
2219	Other Payables (Note 18)	467,389	4	477,762	4	378,451	3
2220	Other payables to related parties (Note 26)	24,011	-	36,166	-	19,442	-
2230	Current Income Tax Liabilities	27,843	-	40,507	-	20,629	-
2250	Refund Liabilities – Current	7,154	-	7,154	-	7,154	-
2280	Lease Liabilities – Current (Notes 14 and 26)	91,583	1	76,920	1	94,425	1
2322	Current portion of long-term loans due within 1 year (Notes 16 and 27)	565,000	5	380,000	3	335,000	3
2399	Other Current Liabilities (Note 18)	20,335	-	29,399	-	26,621	-
21XX	Total Current Liabilities	<u>5,853,600</u>	<u>48</u>	<u>5,514,243</u>	<u>44</u>	<u>5,623,122</u>	<u>41</u>
	Non-Current Liabilities						
2540	Long-Term Borrowings (Notes 16 and 27)	25,000	-	438,615	4	708,475	5
2570	Deferred Income Tax Liabilities	179,276	1	179,276	1	169,668	1
2580	Lease Liabilities – Non-Current (Notes 14 and 26)	365,643	3	339,602	3	398,972	3
2630	Long-term deferred revenue	-	-	5,625	-	-	-
2640	Net Defined Benefit Liabilities – Non-Current (Notes 4 and 19)	-	-	-	-	43,201	-
2645	Guarantee Deposits	720	-	770	-	770	-
2670	Other non-current liabilities	316	-	333	-	374	-
25XX	Total Non-Current Liabilities	<u>570,955</u>	<u>4</u>	<u>964,221</u>	<u>8</u>	<u>1,321,460</u>	<u>9</u>
2XXX	Total Liabilities	<u>6,424,555</u>	<u>52</u>	<u>6,478,464</u>	<u>52</u>	<u>6,944,582</u>	<u>50</u>
	Equity Attributable to Owners of the Company (Note 20)						
	Share Capital						
3110	Common Shares	6,946,434	57	6,946,434	56	6,946,434	50
3200	Capital Surplus	115,943	1	115,943	1	115,943	1
	Retained Earnings						
3310	Legal Reserve	198,758	2	198,758	2	198,758	2
3320	Special Reserve	305,704	3	305,704	2	305,704	2
3350	Deficits to Be Compensated	(1,290,694)	(11)	(1,173,977)	(9)	(117,988)	(1)
3300	Retained earnings (accumulated deficit) Total	(786,232)	(6)	(669,515)	(5)	(386,474)	(3)
3400	Other Equity Interest	(123,000)	(1)	(192,222)	(1)	(233,255)	(2)
3500	Treasury shares	(332,836)	(3)	(332,836)	(3)	(332,836)	(2)
31XX	Total Equity Attributable to Owners of the Company	<u>5,820,309</u>	<u>48</u>	<u>5,867,804</u>	<u>48</u>	<u>6,882,760</u>	<u>50</u>
36XX	Non-Controlling Interests	6	-	5	-	6	-
3XXX	Total Equity	<u>5,820,315</u>	<u>48</u>	<u>5,867,809</u>	<u>48</u>	<u>6,882,766</u>	<u>50</u>
	Total liabilities and equity	<u>\$ 12,244,870</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 13,827,348</u>	<u>100</u>

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

Chairman: Johnny Hih

Manager: Xian Zhong Li

Accounting Executive: Mei Hsiu Huang

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023

Unit: NT\$ thousand(NT\$ for net loss per share)

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Notes 21 and 26)	\$ 1,750,376	100	\$ 1,606,604	100	\$ 3,683,477	100	\$ 3,533,422	100
5000	Operating Costs (Notes 11, 22, and 26)	<u>1,619,691</u>	<u>92</u>	<u>1,417,256</u>	<u>88</u>	<u>3,277,529</u>	<u>89</u>	<u>2,941,852</u>	<u>83</u>
5900	Gross Profit	<u>130,685</u>	<u>8</u>	<u>189,348</u>	<u>12</u>	<u>405,948</u>	<u>11</u>	<u>591,570</u>	<u>17</u>
	Operating Expenses (Notes 10, 22 and 26)								
6100	Selling and Marketing Expenses	118,515	7	125,728	8	239,711	6	253,882	7
6200	Administrative Expenses	111,241	6	111,736	7	241,353	7	234,522	7
6300	Research and Development Expenses	44,881	3	62,710	4	88,529	2	120,462	3
6450	Expected Credit Impairment Loss (Gain on reversal)	(<u>2,122</u>)	<u>-</u>	<u>24,805</u>	<u>1</u>	(<u>1,915</u>)	<u>-</u>	<u>29,811</u>	<u>1</u>
6000	Total Operating Expenses	<u>272,515</u>	<u>16</u>	<u>324,979</u>	<u>20</u>	<u>567,678</u>	<u>15</u>	<u>638,682</u>	<u>18</u>
6500	Net Amount of Other Operating Income and Expenses (Note 22)	(<u>8</u>)	<u>-</u>	<u>198</u>	<u>-</u>	(<u>10</u>)	<u>-</u>	<u>39</u>	<u>-</u>
6900	Net operating profit (loss)	(<u>141,838</u>)	(<u>8</u>)	(<u>135,433</u>)	(<u>8</u>)	(<u>161,740</u>)	(<u>4</u>)	(<u>46,722</u>)	(<u>1</u>)
	Non-operating income and expenses (Notes 7, 22 and 26)								
7100	Interest Income	6,910	-	1,912	-	8,407	-	3,352	-
7010	Other Income	18,944	1	30,446	2	52,095	1	42,202	1
7020	Other Gains and Losses	12,745	1	34,995	2	64,206	2	6,542	-
7510	Interest Expenses	(<u>35,548</u>)	(<u>2</u>)	(<u>48,857</u>)	(<u>3</u>)	(<u>71,223</u>)	(<u>2</u>)	(<u>104,532</u>)	(<u>3</u>)
7000	Total non-operating income and expenses	<u>3,051</u>	<u>-</u>	<u>18,496</u>	<u>1</u>	<u>53,485</u>	<u>1</u>	(<u>52,433</u>)	(<u>2</u>)
7900	Net loss before tax	(<u>138,787</u>)	(<u>8</u>)	(<u>116,937</u>)	(<u>7</u>)	(<u>108,255</u>)	(<u>3</u>)	(<u>99,152</u>)	(<u>3</u>)
7950	Income Tax Expense (Gains) (Notes 4 and 23)	(<u>15,308</u>)	(<u>1</u>)	<u>6,554</u>	<u>1</u>	<u>8,461</u>	<u>-</u>	<u>18,832</u>	<u>-</u>
8200	Net Loss	(<u>123,479</u>)	(<u>7</u>)	(<u>123,491</u>)	(<u>8</u>)	(<u>116,716</u>)	(<u>3</u>)	(<u>117,982</u>)	(<u>3</u>)
	Other comprehensive income								
8360	Items that may be Reclassified Subsequently to Profit or Loss								
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	<u>16,397</u>	<u>1</u>	(<u>63,242</u>)	(<u>4</u>)	<u>69,222</u>	<u>2</u>	(<u>53,952</u>)	(<u>2</u>)
8500	Total Comprehensive Income for the Period	(<u>\$ 107,082</u>)	(<u>6</u>)	(<u>\$ 186,733</u>)	(<u>12</u>)	(<u>\$ 47,494</u>)	(<u>1</u>)	(<u>\$ 171,942</u>)	(<u>5</u>)
8600	Net Profit (Loss) Attributable to:								
8610	Owners of the Company	(<u>\$ 123,480</u>)	(<u>7</u>)	(<u>\$ 123,491</u>)	(<u>8</u>)	(<u>\$ 116,717</u>)	(<u>3</u>)	(<u>\$ 117,982</u>)	(<u>3</u>)
8620	Non-Controlling Interests	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
		(<u>\$ 123,479</u>)	(<u>7</u>)	(<u>\$ 123,491</u>)	(<u>8</u>)	(<u>\$ 116,716</u>)	(<u>3</u>)	(<u>\$ 117,982</u>)	(<u>3</u>)

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Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
8700	Total Comprehensive Income								
	Attributable To:								
8710	Owners of the Company	(\$ 107,083)	(6)	(\$ 186,733)	(12)	(\$ 47,495)	(1)	(\$ 171,947)	(5)
8720	Non-Controlling Interests	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
		(\$ 107,082)	(6)	(\$ 186,733)	(12)	(\$ 47,494)	(1)	(\$ 171,947)	(5)
	Net loss per share (Note 24)								
9710	Basic	(\$ 0.18)		(\$ 0.18)		(\$ 0.17)		(\$ 0.17)	
9810	Diluted	(0.18)		(0.18)		(0.17)		(0.17)	

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

Chairman: Johnny Hih

Manager: Xian Zhong Li

Accounting Executive: Mei Hsiu Huang

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

2024 and January 1 to June 30, 2023

Unit: NT\$ thousand

Code		Equity Attributable to Owners of the Company										Non-Controlling Interests	Total Equity
		Share Capital		Retained earnings (accumulated deficit)				Other Equity Items					
		Capital - Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury shares	Total		
A1	Balance as of January 1, 2024	\$ 6,946,434	\$ 115,943	\$ 198,758	\$ 305,704	(\$ 1,173,977)	(\$ 196,421)	\$ 4,199	(\$ 192,222)	(\$ 332,836)	\$ 5,867,804	\$ 5	\$ 5,867,809
D1	January 1 to June 30, 2024 net profit (loss)	-	-	-	-	(116,717)	-	-	-	-	(116,717)	1	(116,716)
D3	Other Comprehensive Losses after Tax from January 1 to June 30, 2024	-	-	-	-	-	69,222	-	69,222	-	69,222	-	69,222
D5	Total Comprehensive Income from January 1 to June 30, 2024	-	-	-	-	(116,717)	69,222	-	69,222	-	(47,495)	1	(47,494)
Z1	Balance as of June 30, 2024	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 198,758</u>	<u>\$ 305,704</u>	<u>(\$ 1,290,694)</u>	<u>(\$ 127,199)</u>	<u>\$ 4,199</u>	<u>(\$ 123,000)</u>	<u>(\$ 332,836)</u>	<u>\$ 5,820,309</u>	<u>\$ 6</u>	<u>\$ 5,820,315</u>
A1	Balance as of January 1, 2023	\$ 6,946,434	\$ 115,943	\$ 192,358	\$ 248,096	\$ 64,008	(\$ 183,268)	\$ 3,972	(\$ 179,296)	(\$ 332,836)	\$ 7,054,707	\$ 7	\$ 7,054,714
	Distribution of 2022 earnings (Note 20)												
B1	Legal Reserve	-	-	6,400	-	(6,400)	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	57,608	(57,608)	-	-	-	-	-	-	-
D1	Net loss from January 1 to June 30, 2023	-	-	-	-	(117,988)	-	-	-	-	(117,988)	(1)	(117,989)
D3	Other Comprehensive Losses after Tax from January 1 to June 30, 2023	-	-	-	-	-	(53,959)	-	(53,959)	-	(53,959)	-	(53,959)
D5	Total Comprehensive Income from January 1 to June 30, 2023	-	-	-	-	(117,988)	(53,959)	-	(53,959)	-	(171,947)	(1)	(171,948)
Z1	Balance as of June 30, 2023	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 198,758</u>	<u>\$ 305,704</u>	<u>(\$ 117,988)</u>	<u>(\$ 237,227)</u>	<u>\$ 3,972</u>	<u>(\$ 233,255)</u>	<u>(\$ 332,836)</u>	<u>\$ 6,882,760</u>	<u>\$ 6</u>	<u>\$ 6,882,766</u>

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

Chairman: Johnny Hih

Manager: Xian Zhong Li

Accounting Executive: Mei Hsiu Huang

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

2024 and January 1 to June 30, 2023

Unit: NT\$ thousand

<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
	Cash flows from operating activities		
A10000	Current net loss before tax	(\$ 108,255)	(\$ 99,158)
	Income and expense items		
A20100	Depreciation expenses	387,077	408,400
A20300	Expected Credit Impairment Loss (Gain on reversal)	(1,915)	29,811
A20900	Interest Expenses	71,223	104,538
A21200	Interest Income	(8,407)	(3,356)
A21300	Dividend income	(1)	(791)
A22500	Loss on disposal of property, plant and equipment (Gains)	10	(391)
A23700	Loss for market price decline and obsolete and slow-moving inventories	66,198	-
A24100	Unrealized foreign currency exchange net gains	(40,157)	(3,750)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	4,468	46,195
A31150	Trade receivables	127,659	262,143
A31180	Other receivables	10,089	418,787
A31200	Inventory	304,853	(9,219)
A31240	Other current assets	40,372	134,020
A31990	Financial assets at fair value through profit or loss	4,603	189
A32125	Contract liabilities	(790)	(31,491)
A32130	Notes payable	(5,678)	14,975
A32140	Notes payable to related parties	(15,246)	(4,154)
A32150	Trade payables	(43,019)	(186,036)
A32160	Trade payables to related parties	10,784	26,787
A32180	Other payables	(10,204)	(41,910)
A32190	Other payables to related parties	(12,155)	(2,763)
A32230	Other current liabilities	(13,846)	(15,396)
A32240	Net defined benefit plan	4,960	264
A32250	Financial liabilities at fair value through profit or loss	307	1,392
A32990	Other non-current liabilities	(17)	(28)
A33000	Cash generated from operations	772,913	1,049,058
A33100	Interest received	8,431	3,365
A33300	Interest paid	(72,226)	(110,937)
A33500	Income tax paid	(56,278)	(18,353)
AAAA	Net cash inflows from operating activities	<u>652,840</u>	<u>923,133</u>

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<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 136,597)	\$ -
B02700	Purchase of property, plant and equipment	(322,623)	(210,432)
B02800	Proceeds from disposal of property, plant and equipment	-	489
B03700	Increase in refundable deposits	(1,487)	(306)
B03800	Decrease in refundable deposits	1,225	280
B07600	Dividends received	<u>1</u>	<u>791</u>
BBBB	Net cash outflows from investing activities	(<u>459,481</u>)	(<u>209,178</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	12,398,850	6,463,692
C00200	Decrease in short-term borrowings	(12,359,249)	(6,803,649)
C00500	Increase in short-term notes and bills payable	9,689,109	4,954,242
C00600	Decrease in short-term notes and bills payable	(9,538,932)	(4,974,109)
C01600	Proceeds from long-term borrowings	150,000	993,221
C01700	Repayments of long-term borrowings	(377,935)	(1,325,000)
C03000	Increase in guarantee deposits	14	1,547
C03100	Decrease in guarantee deposits	(1,028)	(2,608)
C04020	Lease principal repayments	(<u>52,061</u>)	(<u>56,251</u>)
CCCC	Net cash outflows from financing activities	(<u>91,232</u>)	(<u>748,915</u>)
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>29,736</u>	(<u>23,007</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	131,863	(57,967)
E00100	Beginning balance of cash and cash equivalents	<u>708,976</u>	<u>547,231</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 840,839</u>	<u>\$ 489,264</u>

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

Chairman: Johnny Hih

Manager: Xian Zhong Li

Accounting Executive: Mei Hsiu Huang

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2024 and January 1 to June 30, 2023

(Unit: NT\$ Thousands, unless specified otherwise)

1. Company History

Everest Textile Co., Ltd. (the "Company") was incorporated in February 1988 and commenced business in October 1988. The Company mainly engages in the manufacturing of various textiles such as chemical fibers, cotton, and blended fabrics, and knitting processing, dyeing processing, printing processing, and polyester film businesses, as well as the manufacturing, trading, and import/export trading of the abovementioned products and products related to yarn materials and garments.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since April 1995.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan Dollars (NTD).

2. Date and Procedures of Approval of the Financial Statements

The consolidated financial statements were approved by the Board on August 6, 2024.

3. Application of New and Amended Standards and Interpretations

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRS") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC")

The application of the amended IFRS endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of the Group.

- (2) The IFRS endorsed by the FSC for application starting from 2025

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: Effective for annual reporting periods beginning on or after January 1, 2025. When initially applying this amendment, comparative periods should not be restated. Instead, the impact should be recognized in retained earnings or in the foreign currency translation reserve under equity (as appropriate) on the date of initial application, along with the related affected assets and liabilities.

Amendment to IAS 21 "Lack of Exchangeability"

The amendment specifies that a currency has exchangeability when an entity can exchange one currency for another through markets or exchange mechanisms that create enforceable rights and obligations within the timeframe of normal administrative delay. When a currency lacks exchangeability on the measurement date, the consolidated company should estimate the spot exchange rate to reflect the rate that market participants would use in an orderly transaction on the measurement date, considering the economic conditions at that time. In this situation, the consolidated company should also disclose information that enables users of financial statements to assess how the lack of exchangeability of the currency affects or is expected to affect its operating results, financial position, and cash flows.

- (3) IFRS that have been issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative information"	January 1, 2023
IFRS 18 "Presentation of Financial Statements Disclose"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above new/revised/amended IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

1. IFRS 18 "Presentation of Financial Statements Disclose"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes include:

- The income statement should classify revenue and expense items into categories such as operating, investing, financing, income tax, and discontinued operations.
- The income statement should report operating profit or loss, profit or loss before financing and income taxes, as well as subtotals and totals of profit or loss.
- Provide guidance to strengthen aggregation and disaggregation requirements: Consolidated companies must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. Consolidated companies shall label such items as "other" only when a more informative name cannot be found.

- Increase disclosure of management-defined performance measures: When consolidated companies publicly communicate outside of financial statements or communicate with financial statement users on management's perspective on a certain aspect of the consolidated company's overall financial performance, they should disclose relevant information on management-defined performance measures in a single note to the financial statements, including the description of the measure, how it is calculated, its reconciliation with the subtotals or totals defined by IFRS accounting standards, and the effects of tax and non-controlling interests on related reconciliation items.
2. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The main modifications to these amendments are the classification requirements for financial assets, including: when a financial asset contains a contingent event that can change the timing or amount of contractual cash flows, and the nature of the contingent event is not directly related to changes in basic lending risks and costs (such as whether the debtor achieves a specific carbon emission reduction), these financial assets still have contractual cash flows solely for the payment of principal and interest on the outstanding principal amount when meeting the following two conditions:

- The contractual cash flows generated in all possible scenarios (before or after the occurrence of the contingent event) are solely payments of principal and interest on the outstanding principal amount; and
- The contractual cash flows generated under all possible scenarios do not significantly differ from the cash flows of financial instruments with the same contractual terms but without contingent features.

The amendments also stipulate that when an enterprise uses an electronic payment system to settle financial liabilities in cash, it may choose to derecognize the financial liability before the settlement date if the following conditions are met:

- The enterprise does not have the practical ability to withdraw, stop, or cancel the payment instruction;
- The enterprise does not have the actual ability to access the cash that will be used for settlement due to the payment instructions; and
- The settlement risk associated with the electronic payment system is not significant.

Except the aforementioned effects, as of the approval date for the publishing of the Consolidated Financial Statements, the Group continuously assesses the impacts of amendments to the other standards and interpretations on its financial position and financial performance and will disclose relevant impacts upon the completion of the assessment in due course.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34 "Interim Financial Reporting" endorsed

and issued into effect by the Financial Supervisory Commission. This consolidated financial report does not include all the IFRS accounting standard disclosure information required in a complete annual financial report.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of relevant inputs:

1. Level 1 Input: Refers to quoted prices in active markets for identical assets or liabilities on the measurement date (unadjusted).
2. Level 2 Inputs: Refers to observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly (i.e., prices) or indirectly (i.e., deduced from prices).
3. Level 3 Inputs: Refer to unobservable inputs for asset or liability.

(3) Consolidated Basis

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., subsidiaries.) the adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by the Group. When preparing consolidated financial statements, transactions, account balances, revenues and expenses between entities have been eliminated, the total comprehensive income of subsidiaries is attributed to owners of the Company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12 and Tables 6 and 7 for details on subsidiaries, shareholding, and scope of business.

(4) Other Major Accounting Policies

Apart from the following explanations, please refer to the summary of significant accounting policies in the 2023 consolidated financial report.

1. Standards for the classification of current and non-current assets and liabilities

Current assets include:

- (1) Assets held primarily for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the reporting period; and
- (3) Cash and cash equivalents (excluding those being restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the reporting period; and
- (3) Liabilities for which the settlement may not be unconditionally deferred for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2. Defined Benefit of Retirement Benefits

The pension cost for the interim period is calculated based on the pension cost rate determined by actuarial valuation at the end of the previous year, using the period from the beginning of the year to the current period end as the basis. Adjustments are made for significant market fluctuations during the current period, as well as significant plan amendments, settlements, or other major one-time events.

3. Income Tax

The income tax expense represents the sum of the current income tax and deferred tax. Income tax for interim periods is assessed on an annual basis, calculated based on the interim profit before tax using the tax rate applicable to the expected total annual earnings.

5. Significant Accounting Judgments and Assumptions, and Key Sources of Estimation Uncertainty

Please refer to the 2023 consolidated financial statements as primary sources and explanations of uncertainties in material accounting judgments, estimates, and assumptions.

6. Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and working capital	\$ 2,054	\$ 2,105	\$ 9,010
Checks and demand deposits in banks	712,623	405,459	294,822
Cash equivalents (Investments with an initial maturity of less than 3 months)			
Time deposits	<u>126,162</u>	<u>301,412</u>	<u>185,432</u>
	<u>\$ 840,839</u>	<u>\$ 708,976</u>	<u>\$ 489,264</u>

The interest rates of time deposits with original maturities within 3 months were 1.65%~5.16%, 1.55%~5.31% and 1.90%~ 2.10% as of June 30 in 2024 and 2023, and December 31, 2023, respectively.

7. Financial instruments at fair value through profit or loss

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets – current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward exchange contracts	<u>\$ 9</u>	<u>\$ 4,612</u>	<u>\$ -</u>
<u>Financial liabilities – current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward exchange contracts	<u>\$ 378</u>	<u>\$ 71</u>	<u>\$ 1,632</u>

The forward exchange contracts that are not applicable to hedge accounting and have not yet expired on the balance sheet date are as follows:

June 30, 2024

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to NTD	113.07.03-113.07.26	USD 2,400/NTD 77,606
Forward foreign exchange sale	USD to THB	113.07.23	USD 720/THB 26,285

December 31, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	113.01.04-113.01.12	USD 11,000/RMB 78,313
Forward foreign exchange sale	USD to NTD	113.01.05-113.01.26	USD 5,920/NTD 184,148
Forward foreign exchange sale	USD to THB	113.01.05	USD 1,200/THB 41,330

June 30, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Expiration Period</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	2023.07.10-2023.07.21	USD 7,000/RMB 50,368

For the years 2024 and 2023, the purpose of the Group's forward exchange transactions is mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations. However, it does not meet the conditions for effective hedging so hedging accounting is not applicable.

For the years from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 respectively, the valuation losses on financial assets and liabilities at fair value through profit or loss were \$1,438 thousand, \$15,327 thousand, 16,654 thousand and \$18,718 thousand, respectively, which were included in other gains and losses in the consolidated statements of comprehensive income.

8. Financial Assets at Fair Value through Other Comprehensive Income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Jin Lead Industrial Co., Ltd. – ordinary shares	\$ 5,479	\$ 5,479	\$ 5,252
Dah Chung Bills Finance Corp. - ordinary shares	15	15	15
	<u>\$ 5,494</u>	<u>\$ 5,494</u>	<u>\$ 5,267</u>

The Group invests in the ordinary shares of the above companies for strategic purposes and expects to make profits through strategic investments. The management of the Group elected to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the aforementioned strategic investment plan.

9. Financial Assets at Amortized Cost

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Time deposits with original maturities over 3 months (1).	\$ <u>136,597</u>	\$ <u> -</u>	\$ <u> -</u>
<u>Non-current (accounted for as other non-current assets)</u>			
Pledge time deposit with an initial maturity of more than 3 months (2).	\$ <u> 100</u>	\$ <u> 100</u>	\$ <u> 100</u>

- (1) The interest rates of time deposits with original maturities over 3 months were 1.71%~1.95%, 1.55%~1.58% and 1.58% as of June 30 in 2024 and 2023, and December 31, 2023, respectively.
- (2) Please refer to Note 27 for the information on pledges of financial assets measured at cost after amortization.

10. Notes and Accounts Receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Measured at amortized costs			
Gross carrying amount – arising due to operations	\$ <u> 7,644</u>	\$ <u> 12,112</u>	\$ <u> 8,358</u>
<u>Trade receivables</u>			
Measured at amortized costs			
Total carrying amount	\$ <u>787,573</u>	\$ <u>915,809</u>	\$ <u>1,007,759</u>
Loss: Loss allowances	<u>142,496</u>	<u>153,407</u>	<u>157,871</u>
	<u>\$ <u>645,077</u></u>	<u>\$ <u>762,402</u></u>	<u>\$ <u>849,888</u></u>

The Group's average credit period for sales of goods is 30 to 180 days. Interest does not accrue for trade receivables. To mitigate credit risks, the management of the Group has assigned a delegated team to be responsible for the determination of credit facilities, loan approval, and other monitoring procedures to ensure that appropriate actions are adopted for the recovery of overdue trade receivables. In addition, the Group reviews the recoverable amount of trade receivable on a case-by-case basis at the end of the reporting period to ensure that adequate allowance for impairment losses are made for the irrecoverable trade receivables. In this regard, the management of the Group believes that the Group's credit risk has been significantly reduced.

The Group recognizes the allowance for losses of trade receivables based on the lifetime expected credit loss. Lifetime expected credit loss is calculated based on a provision matrix, taking into account the customer's past default records and its current financial conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer bases, customer bases are not further distinguished for the provision matrix, and the Group stipulates the rate of expected credit loss merely based on the number of days past due regarding the trade receivables.

The Group writes-off trade receivables when there is evidence indicating that the counterparty is experiencing severe financial difficulty and the Group has no recoverable amount that is reasonably expected, such as liquidation undergoing by the counterparty. However, the Group will continue to engage in enforcement activity to attempt to recover the receivables due.

As of June 30 in 2024 and 2023, and December 31, 2023, the Group analyzed the notes receivable based on the number of days overdue, all of which were not overdue, and therefore no expected credit losses were provided for notes receivable.

The Group's loss allowances of trade receivables measured based on the provisional matrix are as follows:

June 30, 2024

	<u>No indicators of impairment for the individual asset exists.</u>			<u>Indicators of impairment for the individual asset exist.</u>	<u>Total</u>
	<u>90 days and below</u>	<u>91 to 180 days</u>	<u>181 days and above</u>		
Expected credit loss rate	0% -12.22%	0% -37.57%	0% -100%	100%	
Total carrying amount	\$ 633,974	\$ 18,086	\$ 44,975	\$ 90,538	\$ 787,573
Loss allowances (lifetime expected credit loss)	(5,576)	(2,188)	(44,194)	(90,538)	(142,496)
Amortized costs	<u>\$ 628,398</u>	<u>\$ 15,898</u>	<u>\$ 781</u>	<u>\$ -</u>	<u>\$ 645,077</u>

December 31, 2023

	<u>No indicators of impairment for the individual asset exists.</u>			<u>Indicators of impairment for the individual asset exist.</u>	<u>Total</u>
	<u>90 days and below</u>	<u>91 to 180 days</u>	<u>181 days and above</u>		
Expected credit loss rate	0% -12.22%	0% -37.57%	0% -100%	100%	
Total carrying amount	\$ 746,001	\$ 16,464	\$ 67,470	\$ 85,874	\$ 915,809
Loss allowances (lifetime expected credit loss)	(9,587)	(460)	(57,486)	(85,874)	(153,407)
Amortized costs	<u>\$ 736,414</u>	<u>\$ 16,004</u>	<u>\$ 9,984</u>	<u>\$ -</u>	<u>\$ 762,402</u>

June 30, 2023

	<u>No indicators of impairment for the individual asset exists.</u>			<u>Indicators of impairment for the individual asset exist.</u>	<u>Total</u>
	<u>90 days and below</u>	<u>91 to 180 days</u>	<u>181 days and above</u>		
Expected credit loss rate	0% -8.76%	0% -25.71%	0% -100%	100%	
Total carrying amount	\$ 753,011	\$ 23,395	\$ 146,809	\$ 84,544	\$ 1,007,759
Loss allowances (lifetime expected credit loss)	(2,828)	(990)	(69,509)	(84,544)	(157,871)
Amortized costs	<u>\$ 750,183</u>	<u>\$ 22,405</u>	<u>\$ 77,300</u>	<u>\$ -</u>	<u>\$ 849,888</u>

Changes in loss allowances of trade receivables are as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Opening balance of cash	\$ 153,407	\$ 126,386
Allowance in the current period (reversal)	(1,915)	29,811
Write-off in the current period	(12,883)	-
Differences of foreign currency translation	3,887	1,674
Closing balance	<u>\$ 142,496</u>	<u>\$ 157,871</u>

11. Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 3,212,075	\$ 3,420,574	\$ 3,520,135
Work in progress	995,228	1,143,094	2,093,688
Raw materials	223,982	216,138	268,607
Supplies	211,175	209,879	263,063
	<u>\$ 4,642,460</u>	<u>\$ 4,989,685</u>	<u>\$ 6,145,493</u>

The cost of sales related to inventories for the years April 1 to 30 June, 2024 and 2023, and January 1 to June 30, 2024 and 2023, was NT\$1,619,691 thousand, NT\$1,417,256 thousand, NT\$3,277,529 thousand, and NT\$2,941,853 thousand, respectively. From April 1 to June 31, 2024, the cost of sales includes inventory valuation loss and obsolescence loss of NT\$62,883 and NT\$66,198 thousand.

12. Subsidiary

Subsidiaries included in the consolidated financial statements

The subjects for the preparation of the consolidated financial statements are as follows:

Name of inventor company	Name of the subsidiary	Nature of business	Percentage of shares held (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	Everest Investment (Holding) Ltd.	Holdings and international trade	100	100	100
	Everest International Develop Investment Co., Ltd.	General investment	100	100	100
	Everest Textile (HK) Ltd.	International trade	99.3	99.3	99.3
	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100	100
Everest Investment (Holding) Limited	Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	100	100	100
	Everest International (HK) Ltd.	Investment and holdings	100	100	100
Everest International Develop Investment Co., Ltd.	Everest Apparel (HK) Ltd.	Investment and holdings	100	100	100

(Continued on next page)

(Brought forward from previous page)

Name of inventor company	Name of the subsidiary	Nature of business	Percentage of shares held (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
Everest International (HK) Ltd.	Everest USA Holdings, Inc.	Investment and holdings	100	100	100
Everest USA Holdings, Inc.	Everest Development USA, LLC	Operating asset management	100	100	100
	Everest Textile USA, LLC	Production and dyeing of yarn and woven fabrics	100	100	100
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Apparel production	100	100	100
	Everest Apparel (Haiti) S.A.	Apparel production	100	100	100

13. Property, Plant and Equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Other equipment	Construction in progress and equipment to be tested	Total
Costs								
Balance as of January 1, 2024	\$ 708,039	\$ 2,239,670	\$ 5,840,924	\$ 75,670	\$ 434,708	\$ 1,471,212	\$ 121,706	\$ 10,891,929
Additions	44	24,571	74,819	1,328	26,623	47,088	80,389	254,862
Disposals	-	(10,602)	(77,097)	(6,795)	(6,653)	(3,105)	-	(104,252)
Net exchange difference	1,383	10,848	133,202	1,683	1,887	32,620	(1,787)	179,836
Balance as of June 30, 2024	<u>\$ 709,466</u>	<u>\$ 2,264,487</u>	<u>\$ 5,971,848</u>	<u>\$ 71,886</u>	<u>\$ 456,565</u>	<u>\$ 1,547,815</u>	<u>\$ 200,308</u>	<u>\$ 11,222,375</u>
Accumulated depreciation								
Balance as of January 1, 2024	\$ -	\$ 1,252,751	\$ 3,373,552	\$ 57,062	\$ 290,777	\$ 867,031	\$ -	\$ 5,841,173
Depreciation expenses	-	42,981	184,635	4,854	20,121	82,563	-	335,154
Disposals	-	(10,602)	(77,097)	(6,795)	(6,643)	(3,105)	-	(104,242)
Net exchange difference	-	(2,599)	69,532	1,284	1,118	10,506	-	79,841
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 1,282,531</u>	<u>\$ 3,550,622</u>	<u>\$ 56,405</u>	<u>\$ 305,373</u>	<u>\$ 956,995</u>	<u>\$ -</u>	<u>\$ 6,151,926</u>
Net Amount of December 31, 2023 and January 1, 2024	<u>\$ 708,039</u>	<u>\$ 986,919</u>	<u>\$ 2,467,372</u>	<u>\$ 18,608</u>	<u>\$ 143,931</u>	<u>\$ 604,181</u>	<u>\$ 121,706</u>	<u>\$ 5,050,756</u>
Net Amount of June 30, 2024	<u>\$ 709,466</u>	<u>\$ 981,956</u>	<u>\$ 2,421,226</u>	<u>\$ 15,481</u>	<u>\$ 151,192</u>	<u>\$ 590,820</u>	<u>\$ 200,308</u>	<u>\$ 5,070,449</u>
Costs								
Balance as of January 1, 2023	\$ 707,579	\$ 2,201,219	\$ 6,010,101	\$ 88,856	\$ 443,059	\$ 1,553,361	\$ 100,995	\$ 11,105,170
Additions	-	7,880	96,168	3,982	9,321	39,083	69,230	225,664
Disposals	-	(7,575)	(72,369)	(2,731)	(3,482)	(26,915)	-	(113,072)
Net exchange difference	(83)	(2,097)	(20,540)	(143)	(1,371)	4,982	(1,447)	(20,699)
Balance as of June 30, 2023	<u>\$ 707,496</u>	<u>\$ 2,199,427</u>	<u>\$ 6,013,360</u>	<u>\$ 89,964</u>	<u>\$ 447,527</u>	<u>\$ 1,570,511</u>	<u>\$ 168,778</u>	<u>\$ 11,197,063</u>
Accumulated depreciation and impairment								
Balance as of January 1, 2023	\$ -	\$ 1,175,908	\$ 3,262,829	\$ 60,934	\$ 266,555	\$ 792,111	\$ -	\$ 5,558,337
Depreciation expenses	-	43,947	195,796	6,730	23,216	85,615	-	355,304
Disposals	-	(7,575)	(72,369)	(2,638)	(3,477)	(26,915)	-	(112,974)
Net exchange difference	-	(4,349)	(25,348)	(15)	(1,238)	(1,265)	-	(32,215)
Balance as of June 30, 2023	<u>\$ -</u>	<u>\$ 1,207,931</u>	<u>\$ 3,360,908</u>	<u>\$ 65,011</u>	<u>\$ 285,056</u>	<u>\$ 849,546</u>	<u>\$ -</u>	<u>\$ 5,768,452</u>
Net Amount of June 30, 2023	<u>\$ 707,496</u>	<u>\$ 991,496</u>	<u>\$ 2,652,452</u>	<u>\$ 24,953</u>	<u>\$ 162,471</u>	<u>\$ 720,965</u>	<u>\$ 168,778</u>	<u>\$ 5,428,611</u>

From January 1 to June 30, 2024 and 2023, the consolidated company has no unrecognized or reversal impairment losses.

The depreciated expenses are provided for on a straight-line basis over the following estimated useful lives:

Buildings

Main buildings	2 to 56 years
Engineering systems	2 to 51 years
Machinery and equipment	2 to 30 years
Transportation equipment	2 to 16 years
Furniture and fixtures	2 to 15 years
Other equipment	2 to 15 years

Please refer to Note 27 for the amount of property, plant and equipment pledged as collateral for borrowings. Part of the Group's land is agricultural land, and the ownership is temporarily registered in the name of others. Furthermore, it has been mortgaged to the Group.

14. Lease Agreements

(1) Right-of-Use Assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Carrying amount of right-of-use assets			
Buildings	\$ 398,383	\$ 360,835	\$ 438,621
Transportation equipment	<u>2,859</u>	<u>2,558</u>	<u>3,336</u>
	<u>\$ 401,242</u>	<u>\$ 363,393</u>	<u>\$ 441,957</u>
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>
Addition of right-of-use assets			<u>\$ 70,793</u>
			<u>\$ 1,154</u>
Depreciation expense of right-of-use assets			
Buildings	\$ 25,313	\$ 26,091	\$ 50,929
Transportation equipment	<u>497</u>	<u>391</u>	<u>994</u>
	<u>\$ 25,810</u>	<u>\$ 26,482</u>	<u>\$ 51,923</u>
			<u>\$ 53,096</u>

(2) Lease Liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Carrying amount of lease liabilities			
Current	<u>\$ 91,583</u>	<u>\$ 76,920</u>	<u>\$ 94,425</u>
Non-current	<u>\$ 365,643</u>	<u>\$ 339,602</u>	<u>\$ 398,972</u>

The discount rate ranges for lease liabilities are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Buildings	1.05% -4.12%	1.05% -4.12%	1.01% -4.12%
Transportation equipment	1.06% -2.03%	1.06% -2.03%	1.06% -2.03%

(3) Major Lease Activities and Terms

The Group leases certain transportation equipment for operational use, and the lease period is 1 to 3 years.

The Group also leases certain buildings to use as plants, offices, and retail outlets, and the lease period is 1 to 13 years. At the end of the lease period, the Group has no right of first refusal for the leased building.

(4) Other lease information

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term lease expenses	<u>\$ 3,126</u>	<u>\$ 8,998</u>	<u>\$ 7,183</u>	<u>\$ 16,361</u>
Total cash outflows on lease	<u>\$ 30,481</u>	<u>\$ 36,806</u>	<u>\$ 62,782</u>	<u>\$ 76,614</u>

15. Other Assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Prepayments for goods	\$ 31,392	\$ 36,846	\$ 99,440
Prepaid expenses	27,709	58,916	39,405
Prepaid sales tax	13,552	20,596	22,091
Refundable deposits	674	734	734
Other Matters	6,901	3,568	7,596
	<u>\$ 80,228</u>	<u>\$ 120,660</u>	<u>\$ 169,266</u>
<u>Non-current</u>			
Prepayments for business facilities	\$ 195,042	\$ 132,294	\$ 97,174
Refundable deposits	17,507	16,834	18,084
Other Matters	100	100	100
	<u>\$ 212,649</u>	<u>\$ 149,228</u>	<u>\$ 115,358</u>

16. Borrowings

(1) Short-Term Borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bank credit borrowings	\$ 1,620,000	\$ 1,075,000	\$ 1,295,000
Bank secured borrowings	344,701	776,572	1,552,298
Bank mortgage borrowings	<u>700,000</u>	<u>730,000</u>	<u>605,946</u>
	<u>\$ 2,664,701</u>	<u>\$ 2,581,572</u>	<u>\$ 3,453,244</u>

The interest rates of short-term borrowings are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bank credit borrowings	1.82% -2.05%	1.80% -1.91%	1.80% -1.94 %
Bank secured borrowings	2.03% -7.63%	2.37% -7.63%	2.37% -8.63%
Bank mortgage borrowings	1.93%	1.82%	1.83% -3.60%

(2) Short-Term Notes and Bills Payable

June 30, 2024

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
International bills	\$ 250,000	\$ 42	\$ 249,958	1.53	None
Ta Ching bills	130,000	66	129,934	1.67	None
Ta Ching bills	20,000	2	19,998	1.85	None
Grand bills	300,000	118	299,882	1.60	None
Mega Bills Finance Co., Ltd.	350,000	145	349,855	1.68	None
China bills	350,000	60	349,940	1.55	None
Taiwan Cooperative Holdings Bills	<u>100,000</u>	<u>53</u>	<u>99,947</u>	1.77	None
	<u>\$ 1,500,000</u>	<u>\$ 486</u>	<u>\$ 1,499,514</u>		

December 31, 2023

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
Grand bills	\$ 300,000	\$ 134	\$ 299,866	1.45	None
Mega Bills Finance Co., Ltd.	350,000	168	349,832	1.59	None
China bills	300,000	108	299,892	1.42	None
China bills	50,000	17	49,983	1.41	None
Ta Ching bills	100,000	78	99,922	1.58	None
International bills	<u>250,000</u>	<u>158</u>	<u>249,842</u>	1.44	None
	<u>\$ 1,350,000</u>	<u>\$ 663</u>	<u>\$ 1,349,337</u>		

June 30, 2023

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
China bills	\$ 160,000	\$ 67	\$ 159,933	1.40	None
China bills	140,000	145	139,855	1.40	None
Grand bills	300,000	72	299,928	1.45	None
International bills	<u>250,000</u>	<u>126</u>	<u>249,874</u>	1.42	None
	<u>\$ 850,000</u>	<u>\$ 410</u>	<u>\$ 849,590</u>		

(3) Long-Term Loans

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Unsecured borrowings</u>			
Bank credit borrowings	\$ 590,000	\$ 780,000	\$ 902,500
<u>Secured borrowings</u>			
Bank mortgage borrowings	<u>-</u>	<u>38,615</u>	<u>140,975</u>
	590,000	818,615	1,043,475
Less: Those that mature within one year	<u>565,000</u>	<u>380,000</u>	<u>335,000</u>
	<u>\$ 25,000</u>	<u>\$ 438,615</u>	<u>\$ 708,475</u>

The maturity dates for the aforementioned bank loans gradually expire before December 2025. The annual interest rate as of June 30 in 2024 and 2023, and December 31, 2023 is 1.91%–2.22%, 1.78%–4.20%, and 1.73%–3.76%, respectively.

17. Notes Payable (Including Those from Related Parties) and Trade Payables (Including Those from Related Parties)

The Group's notes payable and trade payables occurred due to its operations.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. Other Current Liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other payables			
Payable for salaries or bonuses	\$ 129,361	\$ 180,311	\$ 105,639
Payable for utilities	31,671	24,128	27,652
Payable for pension	29,873	31,350	28,415
Payable for annual leave	28,763	26,907	28,684
Payable for labor and health insurance	19,650	21,851	19,458
Payable for purchases of equipment	12,562	17,858	4,353

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	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Payable for shipping expenses	\$ 9,965	\$ 25,120	\$ 11,807
Payable for commissions	4,832	4,427	5,318
Payable for processing expenses	1,767	2,205	2,032
Payable for employees' compensation	1,095	1,095	1,207
Other Matters	<u>197,850</u>	<u>142,510</u>	<u>143,886</u>
	<u>\$ 467,389</u>	<u>\$ 477,762</u>	<u>\$ 378,451</u>
Other liabilities			
Receipts under custody	\$ 640	\$ 13,876	\$ 21,734
Deferred revenue	14,075	7,500	-
Guarantee Deposits	2,512	3,355	2,901
Other Matters	<u>3,108</u>	<u>4,668</u>	<u>1,986</u>
	<u>\$ 20,335</u>	<u>\$ 29,399</u>	<u>\$ 26,621</u>

19. Post-Employment Benefit Plan

The post-employment benefit expenses recognized for the defined benefit plans from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 were calculated based on the retirement pension cost rates determined by actuarial valuations as of December 31, 2023 and 2022, amounting to NT\$7,975 thousand, NT\$7,890 thousand, NT\$16,010 thousand, and NT\$16,145 thousand, respectively.

20. Equity

(1) Capital - Common Shares

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Number of shares authorized (in thousands)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Share capital authorized	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>
Number of shares issued and paid-up (in thousands)	<u>694,643</u>	<u>694,643</u>	<u>694,643</u>
Share capital issued	<u>\$ 6,946,434</u>	<u>\$ 6,946,434</u>	<u>\$ 6,946,434</u>

Issued ordinary shares with a par value of NT\$10 carry the right of one vote per share and a right to dividends.

(2) Capital Surplus

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital</u>			
Premium on issuance of shares	\$ 16,299	\$ 16,299	\$ 16,299
Treasury share transactions (Note)	<u>99,644</u>	<u>99,644</u>	<u>99,644</u>
	<u>\$ 115,943</u>	<u>\$ 115,943</u>	<u>\$ 115,943</u>

Note: Such capital surplus may be used to offset a deficit. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, but only at a certain percentage of the Company's capital surplus and once a year.

(3) Retained Earnings and Dividend Policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (hereinafter referred to as "the Articles"), where the Company made profits in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any unappropriated earnings from the previous year shall be used as earnings available for appropriation. Such earnings shall be distributed as shareholders' dividends equally based on the number of all shares, provided that a portion of such earning may be retained in accordance with the business conditions. However, in case of capital increases, the incremental shares shall be appropriated in accordance with the respective resolution made in the shareholders' meetings. For the Company's policies on the distribution of employees' compensation and remuneration of directors, refer to Note 22-8 "Employees' compensation and remuneration of directors and supervisors."

The Company appropriates dividends according to a stable dividend distribution while taking into account the features of economic changes regarding its business, the effects of products or services, in terms of their life cycle, and taxation on its future cash demands. Except for capital demands such as improving the financial structure and providing for the reinvestment, expansion of production capacity, or other significant capital expenditure, the distribution of dividends shall be no less than 50% of the balances equal to the net profit after income tax for the year less amounts offsetting deficits, legal reserve, and special reserve. The cash dividends shall be no less than 10% of the current shareholders' bonuses for the year.

The legal reserve shall be appropriated until its balances reach the total paid-in capital of the Company. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's total paid-in capital, the excess may be transferred to capital and distributed in cash.

The shareholders' meetings of the Company held on June 14, 2024 and June 9, 2023, respectively, and resolved to approve the 2023 loss offsetting proposal and the 2022 earnings distribution.

	<u>Earnings distribution</u>
	<u>2022</u>
Legal reserve provided	<u>\$ 6,400</u>
Special reserve provided	<u>\$ 57,608</u>

(4) Treasury Shares

At the end of the reporting period, the Company's shares held by its subsidiary Everest International Develop Investment Co., Ltd. for the purpose of investment and wealth management were accounted for as treasury shares. The information related to the Company's shares held by its subsidiaries is disclosed as follows (number of shares in thousands):

Purpose of buy-back	Number of shares at the beginning of the year	Increase for current period	Decrease for current period	End of the period		
				Number of shares	Carrying amount	Market price
January 1 to June 30, 2024						
Shares of the Company held by subsidiaries as a deduction to equity	<u>20,178</u>	<u>-</u>	<u>-</u>	<u>20,178</u>	<u>\$ 332,836</u>	<u>\$ 161,218</u>
January 1 to June 30, 2023						
Shares of the Company held by subsidiaries as a deduction to equity	<u>20,178</u>	<u>-</u>	<u>-</u>	<u>20,178</u>	<u>\$ 332,836</u>	<u>\$ 185,633</u>

Except for the exclusion from the Company's capital increase and having no voting right, the Company's shares held by subsidiaries are accounted for as treasury shares, and shall be entitled to the same rights as general shareholders.

21. Revenue

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Revenue from the sales of goods	<u>\$ 1,750,376</u>	<u>\$ 1,606,604</u>	<u>\$ 3,683,477</u>	<u>\$ 3,533,424</u>

(1) Contract Balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Notes receivable	<u>\$ 7,644</u>	<u>\$ 12,112</u>	<u>\$ 8,358</u>	<u>\$ 54,553</u>
Trade receivables	<u>\$ 645,077</u>	<u>\$ 762,402</u>	<u>\$ 849,888</u>	<u>\$ 1,149,237</u>
Contract liabilities – current				
Sales of goods	<u>\$ 28,225</u>	<u>\$ 29,015</u>	<u>\$ 25,329</u>	<u>\$ 56,820</u>

(2) Disaggregation of Revenue from Customer Contracts

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Finished fabric	\$1,569,382	\$1,208,554	\$3,371,509	\$2,817,640
Draw textured yarn	121,711	134,277	202,926	247,528
Other Matters	<u>59,283</u>	<u>263,773</u>	<u>109,042</u>	<u>468,256</u>
	<u>\$1,750,376</u>	<u>\$1,606,604</u>	<u>\$3,683,477</u>	<u>\$3,533,424</u>

22. Net Loss before Income Tax

(1) Net Amount of Other Operating Income and Expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Gains (losses) on disposal of property, plant and equipment	(\$ <u>8</u>)	<u>\$ 198</u>	(\$ <u>10</u>)	<u>\$ 391</u>

(2) Interest Income

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Bank deposits	\$ 6,904	\$ 1,911	\$ 8,401	\$ 3,355
Other Matters	<u>6</u>	<u>1</u>	<u>6</u>	<u>1</u>
	<u>\$ 6,910</u>	<u>\$ 1,912</u>	<u>\$ 8,407</u>	<u>\$ 3,356</u>

(3) Other Income

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Dividend income	\$ 1	\$ 791	\$ 1	\$ 791
Grants	3,770	3,136	3,933	3,136
Accommodation revenue	-	4,885	9,725	9,389
Other Matters	<u>15,173</u>	<u>21,634</u>	<u>38,436</u>	<u>28,886</u>
	<u>\$ 18,944</u>	<u>\$ 30,446</u>	<u>\$ 52,095</u>	<u>\$ 42,202</u>

(4) Other Gains and Losses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Net gain on foreign currency exchange	\$ 13,011	\$ 49,882	\$ 79,014	\$ 26,442
Financial liabilities losses at fair value through profit or loss	(1,438)	(15,327)	(16,654)	(18,718)
Other Matters	<u>1,172</u>	<u>440</u>	<u>1,846</u>	(<u>1,177</u>)
	<u>\$ 12,745</u>	<u>\$ 34,995</u>	<u>\$ 64,206</u>	<u>\$ 6,547</u>

Net foreign currency exchange profit or loss

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Total amount of gains on foreign currency exchange	\$ 49,039	\$ 153,905	\$ 204,701	\$ 270,380
Total amount of losses on foreign currency exchange	(<u>36,028</u>)	(<u>104,023</u>)	(<u>125,687</u>)	(<u>243,938</u>)
	<u>\$ 13,011</u>	<u>\$ 49,882</u>	<u>\$ 79,014</u>	<u>\$ 26,442</u>

(5) Interest Expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Interests on bank borrowings	\$ 34,605	\$ 47,256	\$ 69,104	\$ 101,273
Interest on lease liabilities	1,747	1,943	3,538	4,002

Less: Amounts included in the cost of required assets	<u>804</u>	<u>342</u>	<u>1,419</u>	<u>737</u>
	<u>\$ 35,548</u>	<u>\$ 48,857</u>	<u>\$ 71,223</u>	<u>\$ 104,538</u>

Information related to interest capitalization is as follows:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Amount of interest capitalization	\$ 804	\$ 342	\$ 1,419	\$ 737
Interest rate on interest capitalization	1.97%	1.90%	1.91% -1.97%	1.86% -1.90%

(6) Depreciation Expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
An analysis of depreciation by function				
Operating costs	\$ 172,646	\$ 181,989	\$ 341,985	\$ 365,151
Operating expenses	<u>21,753</u>	<u>21,559</u>	<u>45,092</u>	<u>43,249</u>
	<u>\$ 194,399</u>	<u>\$ 203,548</u>	<u>\$ 387,077</u>	<u>\$ 408,400</u>

(7) Employee Benefits Expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term employee benefits	<u>\$ 418,475</u>	<u>\$ 402,518</u>	<u>\$ 836,298</u>	<u>\$ 876,640</u>
Retirement benefits				
Defined contribution plans	21,231	19,965	36,984	44,461
Defined benefit plans (Note 19)	<u>7,975</u>	<u>7,890</u>	<u>16,010</u>	<u>16,145</u>
	<u>29,206</u>	<u>27,855</u>	<u>52,994</u>	<u>60,606</u>
	<u>\$ 447,681</u>	<u>\$ 430,373</u>	<u>\$ 889,292</u>	<u>\$ 937,246</u>
Summary by function				
Operating costs	\$ 306,589	\$ 292,949	\$ 606,238	\$ 662,699
Operating expenses	<u>141,092</u>	<u>137,424</u>	<u>283,054</u>	<u>274,547</u>
	<u>\$ 447,681</u>	<u>\$ 430,373</u>	<u>\$ 889,292</u>	<u>\$ 937,246</u>

(8) Employees' Compensation and Directors' Remuneration

The Company appropriates employees' compensation and remuneration of directors at the rates of 2% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors for the year according to its Articles. As the Company incurred a pre-tax losses for both 2024 and January 1 to June 30, 2023, no employees' compensation and directors' remuneration were estimated.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimates, which shall be adjusted and accounted for in the following year.

As the Company incurred a net loss before tax for the fiscal year 2023, no employees' compensation and directors' remuneration were accrued. The employees' compensation and directors' remuneration for the fiscal year 2022 resolved by the board of directors on March 9, 2023 were as follows:

<u>Cash</u>
<u>2022</u>

Employees' compensation	\$ <u>906</u>
Directors' remuneration	\$ <u>-</u>

There is no difference between the actual distribution of employees' compensation and directors' remuneration in 2022 and the recognized amount in the consolidated financial statements in 2022.

Information on the employees' compensation and directors' remuneration resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

23. Income tax

(1) Income Tax Expense Recognized in Profit Or Loss

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Current income tax				
Incurred during current period	\$ 18,819	\$ 6,554	\$ 42,588	\$ 18,831
Adjustments for prior years	(34,127)	-	(34,127)	-
	<u>(\$ 15,308)</u>	<u>\$ 6,554</u>	<u>\$ 8,461</u>	<u>\$ 18,831</u>

(2) Income Tax Assessments

As of the fiscal year 2022, the Company and its subsidiary Everest International Develop Investment Co., Ltd.'s profit-seeking enterprise income tax return cases for the fiscal year 2022 have been reviewed and approved by the tax authorities.

24. Net Loss per Share

The loss per share and the weighted average number of ordinary shares used in the calculation are as follows:

Net Loss

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Net loss attributable to owners of the Company	(\$ <u>123,480</u>)	(\$ <u>123,491</u>)	(\$ <u>116,717</u>)	(\$ <u>117,988</u>)

Shares

Unit: thousand shares

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Number of issued ordinary shares at the beginning of the year	694,643	694,643	694,643	694,643
Loss: The weighted average number of treasury shares regarding the Company's shares held by subsidiaries	<u>20,178</u>	<u>20,178</u>	<u>20,178</u>	<u>20,178</u>
The weighted average number of ordinary shares used in the calculation of basic and diluted net loss per share	<u>674,465</u>	<u>674,465</u>	<u>674,465</u>	<u>674,465</u>

If the Company has the option to issue the employee bonus in stocks or cash when calculating the diluted earnings per share, it is assumed that the employee bonus will adopt the method of issuing shares, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential ordinary shares are diluted. While calculating diluted earnings per share before distributing shares to employees as compensations in the following year, dilutive effects of such potential ordinary shares should still be considered.

The potential common shares from employee compensation for the period from January 1 to June 30, 2023, were not included in the calculation of diluted net loss per share due to their anti-dilutive effect.

25. Financial Instruments

(1) Fair Value Information – Financial Instruments not Measured at Fair Value

The carrying amounts of the Group’s financial instruments that are not measured at fair value approximate their fair values; these financial instruments include cash and cash equivalents, receivables, other receivables, financial assets at amortized cost – current and non-current (accounted for as other non-current assets), refundable deposits (accounted for as other current and non-current assets), short-term borrowings, short-term bills payable, payables (including those to related parties), other payables (including those to related parties), long-term borrowings (including those due within one year), and guarantee deposits received (including those accounted for as other current liabilities).

(2) Fair Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u> <u>through Other Comprehensive</u> <u>Income</u>				
Investments in equity instruments – Shares of domestic unlisted companies	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,494</u>	\$ <u>5,494</u>
<u>Financial assets at fair value</u> <u>through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ <u>-</u>	\$ <u>9</u>	\$ <u>-</u>	\$ <u>9</u>
<u>Financial liabilities at fair value</u> <u>through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ <u>-</u>	\$ <u>378</u>	\$ <u>-</u>	\$ <u>378</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u> <u>through Other Comprehensive</u>				

<u>Income</u>			
Investments in equity instruments			
– Shares of domestic unlisted companies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,494</u>
			<u>\$ 5,494</u>

<u>Financial assets at fair value through profit or loss</u>			
Derivative instruments – forward exchange contract	<u>\$ -</u>	<u>\$ 4,612</u>	<u>\$ -</u>
			<u>\$ 4,612</u>

<u>Financial liabilities at fair value through profit or loss</u>			
Derivative instruments – forward exchange contract	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ -</u>
			<u>\$ 71</u>

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Investments in equity instruments				
– Shares of domestic unlisted companies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,267</u>	<u>\$ 5,267</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	<u>\$ -</u>	<u>\$ 1,632</u>	<u>\$ -</u>	<u>\$ 1,632</u>

There were no transfers between Level 1 and 2 during the January 1 to June 30, 2024 and 2023.

2. Valuation Techniques and Inputs Applied for Level 2 Fair Value Measurement

<u>Categories of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivative instruments – forward exchange contract	The fair value of forward exchange contracts is measured at the interest rate yield curve of the quoted price at the forward exchange rate and derived from the quoted interest rate matching the expiry period of the contract.

3. Valuation Techniques and Inputs Applied for Level 3 Fair Value Measurement

The fair values of investments in domestic unlisted equity were determined based on the net value of comparable companies' shares; the liquidity allowance is taken into consideration to calculate the value of valuation targets.

(3) Categories of Financial Instruments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,672,690	\$ 1,534,856	\$ 1,399,474
Financial assets at fair value through profit or loss – designated at fair value through profit or loss	9	4,612	-

Financial Assets at Fair Value Through Other Comprehensive Income – Non-current			
Investments in equity instruments	5,494	5,494	5,267
<u>Financial liabilities</u>			
Measured at amortized costs (Note 2)	5,706,314	5,773,917	6,159,478
Financial assets at fair value through profit or loss – designated at fair value through profit or loss	378	71	1,632

Note 1: The balances include cash and cash equivalents, notes and trade receivables, other receivables, financial assets at amortized cost – current and non-current (accounted for as other non-current assets), refundable deposits (accounted for as other current and non-current assets), and other financial assets at amortized cost.

Note 2: The balances include short-term borrowings, short-term bills payable, notes and trades payables (included those to related parties), other payables (included those to related parties), long-term borrowings (including those due within one year), guarantee deposits received (including those accounted for as other current liabilities), and other financial liabilities at amortized costs.

(4) Financial Risk Management Objectives and Policies

The Group's major financial instruments include investments in equity and debt instruments, trade receivables, trade payables, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to all business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports, which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

Material treasury activities of the Group are reviewed by the Board in accordance with relevant regulations and internal control systems. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not perform any financial instruments (including derivative financial instruments) transaction for speculative purposes.

1. Market Risk

The Group's operating activities exposed itself primarily to the financial risks of changes in foreign currency exchange rates (see (1) below), interest rates (see (2) below), and other price risks (see (3) below).

There was no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

(1) Foreign Currency Risk

The Group engages in sales and purchases denominated in foreign currencies, which exposed the Group to the risks of changes in foreign currency exchange rates.

The carrying amounts of monetary assets and monetary liabilities (including monetary items not denominated in the functional currency being written-off in the consolidated financial statements) not denominated in the functional

currency of the Group at the end of the reporting period are set out in Note 30.

Sensitivity Analysis

The Group was mainly affected by the fluctuations in the exchange rates of USD, THB and MMK.

The following table details the Group's sensitivity to a 1% increase and decrease in NT\$ (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding monetary items denominated in foreign currencies, and their translations at the end of the period are adjusted at 1% of changes in the exchange rate. The positive figures in the following table indicate the amount by which pre-tax net profit would decrease if the functional currency weakened by 1% against the relevant foreign currencies; a 1% strengthening of the functional currency against the relevant foreign currencies would have the opposite effect of the same amount on pre-tax net loss.

	USD impact	
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Profit or Loss	\$ 24,800	\$ 14,505

	THB impact	
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Profit or Loss	\$ -	\$ 362

	ETB impact	
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Profit or Loss	\$ 1,007	\$ 1,512

In the management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk as the exposure at the end of the reporting period is unable to reflect the exposure during the period. Furthermore, trade receivables and other receivables not denominated in the functional currency would change in accordance with the working capital.

(2) Interest Rate Risk

The Group was exposed to interest rate risk as it borrows funds at both fixed and floating interest rates concurrently. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating-rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period was as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fair value interest rate risk			
Financial assets	\$ 262,859	\$ 301,512	\$ 185,532
Financial liabilities	4,061,527	4,017,431	3,514,917
With cash flow interest rate risk			
Financial assets	668,964	372,537	249,040
Financial liabilities	1,149,914	1,148,615	2,324,789

Sensitivity Analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis assumed that the amount of the liability outstanding at the end of the reporting period was outstanding throughout the reporting period.

If the interest rate increases/decreases by 1%, with all other variables held constant, the net loss before tax for the years from January 1 to June 30, 2024 and 2023 would decrease by \$2,405 thousand and \$10,379 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

(3) Other Price Risks

The Group was exposed to equity price risk due to its investments in shares. The Group manages such exposure by maintaining a portfolio of investments with different risks and through asset allocation.

Sensitivity Analysis

The sensitivity analysis below was conducted based on the Company's exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, other comprehensive income before tax for January 1 to June 30, 2024 and 2023 would have increased/decreased by NT\$55 thousand and NT\$53 thousand, respectively, as a result of the changes in the fair values of financial assets at fair value through other comprehensive income.

2. Credit Risk

Credit risk refers to the risk where the counterparty is having any default on its contractual obligations that results in financial losses to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk due to the failure of counterparties to discharge its obligations is primarily arising from the carrying amount of financial assets recognized in the consolidated balance sheets.

Counter parties for trade receivables involve diverse customers who locate in different geographical regions. Ongoing credit evaluations are performed on the financial conditions of customers with whom the Group has trade receivables.

3. Liquidity Risk

The Group manages and maintains sufficient cash to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the Group's management monitors the utilization of bank facilities and ensures compliance with the borrowings' contract terms.

The Group's working capital and the bank facilities acquired are sufficient to meet its demand for future operations; therefore, there is no liquidity risk relating to the incapability of raising funds for performing contractual obligations.

(1) Liquidity and Interest Rate Risk Table for Derivative Financial Liabilities

The analysis of remaining contractual maturity for the Group's non-derivative

financial liabilities was drawn up based on the undiscounted cash flows of financial liabilities (including principals and estimated interests) from the earliest date on which the Group can be required to make the repayment. Specifically, the Group's bank borrowings with repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights immediately. The analysis of maturity dates for other non-derivative financial liabilities is based on the agreed repayment dates.

The amount of undiscounted interests relating to cash flow paid from floating rate payments is extrapolated based on the interest rate yield curve at the end of the reporting period.

June 30, 2024

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>5 years and above</u>
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 723,536	\$ 69,625	\$ 158,218	\$ 720	\$ -
Lease liabilities	8,220	16,766	72,770	262,091	115,652
Floating rate instruments	92,680	325,860	717,802	26,747	-
Fixed rate instruments	<u>3,404,755</u>	<u>206,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,229,191</u>	<u>\$ 618,561</u>	<u>\$ 948,790</u>	<u>\$ 289,558</u>	<u>\$ 115,652</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	<u>\$ 97,756</u>	<u>\$ 262,091</u>	<u>\$ 115,652</u>	<u>\$ -</u>

December 31, 2023

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>5 years and above</u>
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 556,914	\$ 373,099	\$ 93,610	\$ 770	\$ -
Lease liabilities	7,801	15,863	58,885	222,622	127,671
Floating rate instruments	22,539	406,046	286,147	465,792	-
Fixed rate instruments	<u>3,229,368</u>	<u>381,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,816,622</u>	<u>\$ 1,176,387</u>	<u>\$ 438,642</u>	<u>\$ 689,184</u>	<u>\$ 127,671</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	<u>\$ 82,549</u>	<u>\$ 222,622</u>	<u>\$ 127,671</u>	<u>\$ -</u>

June 30, 2023

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>5 years and above</u>
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 367,881	\$ 303,809	\$ 140,709	\$ 770	\$ -
Lease liabilities	8,012	16,698	76,397	265,089	149,811
Floating rate instruments	687,136	644,521	296,122	785,032	-
Fixed rate instruments	<u>2,408,212</u>	<u>622,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,471,241</u>	<u>\$ 1,587,460</u>	<u>\$ 513,228</u>	<u>\$ 1,050,891</u>	<u>\$ 149,811</u>

Further information on the maturity analysis of lease liabilities is listed as

follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>
Lease liabilities	<u>\$ 101,107</u>	<u>\$ 265,089</u>	<u>\$ 149,811</u>

(2) Liquidity and interest rate risk table for derivative financial assets and liabilities

Liquidity analysis for derivative financial instruments, for gross-settled derivatives, is prepared on the basis of gross undiscounted cash inflows and outflows.

June 30, 2024

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Inflow	\$ 9	\$ -
— Outflow	(<u>378</u>)	<u>-</u>
	<u>\$ 369</u>	<u>\$ -</u>

December 31, 2023

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Inflow	\$ 4,612	\$ -
— Outflow	(<u>71</u>)	<u>-</u>
	<u>\$ 4,541</u>	<u>\$ -</u>

June 30, 2023

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Outflow	(<u>1,632</u>)	<u>\$ -</u>

26. Related Party Transactions

In addition to the information disclosed in other notes, transactions between the Group and its related parties are as follows:

(1) Names and Relations of Related Parties

<u>Names of the Related Party</u>	<u>Relationship with the Group</u>
Yuan Ding Investment Co., Ltd.	Investors with significant influence over the Company
Far Eastern New Century Corporation (FENC)	Investors with significant influence over the Company
Far Eastern International Bank (FEIB)	Other related parties (the Vice-Chairman is a second degree relative of the Chairman of the Company)
Far Eastern Fibertech Co., Ltd.	Other related parties (the subsidiary of FENC)
Everest Textile (Shanghai) Ltd. (Everest Shanghai)	Other related parties (the subsidiary of FENC)
Everest Investment (Holding) Limited	Other related parties (the subsidiary of FENC)
Oriental Petrochemical (Shanghai) Corporation (Shanghai Oriental Petrochemical Corporation)	Other related parties (the subsidiary of FENC)
Far Eastern New Apparel (Vietnam) Ltd.	Other related parties (the subsidiary of FENC)
Far Eastern Apparel (Suzhou) Ltd.	Other related parties (the subsidiary of FENC)
Far Eastern Apparel (Vietnam) Ltd.	Other related parties (the subsidiary of FENC)
Far Eastern Apparel Co., Ltd.	Other related parties (the subsidiary of FENC)
Jin Lead Industrial Co., Ltd.	Other related parties (the Company is the corporate director of Jin Lead Industrial Co., Ltd.)

(2) Sales of Goods

<u>Category of related party</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Investors with significant influence over the Company	\$ 11	\$ 6	\$ 11	\$ 6
Other related parties	<u>5,168</u>	<u>189</u>	<u>13,145</u>	<u>1,081</u>
	<u>\$ 5,179</u>	<u>\$ 195</u>	<u>\$ 13,156</u>	<u>\$ 1,087</u>

The sales to related parties are made at general transaction prices with collection terms of 1 to 3 months, equivalent to general customers.

(3) Purchases

<u>Category of related party</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Investors with significant influence over the Company	\$ 62,882	\$ 51,011	\$ 130,598	\$ 95,429
Other related parties	<u>97,810</u>	<u>95,914</u>	<u>163,142</u>	<u>154,281</u>
	<u>\$ 160,692</u>	<u>\$ 146,925</u>	<u>\$ 293,740</u>	<u>\$ 249,710</u>

The purchase prices of purchases from related parties were equivalent to those of purchases from general suppliers. Purchases of yarn products from investors with significant influence over the Company require partial payment in advance; the payment terms for remaining purchases range from 1 to 4 months.

(4) Accounts Receivable from Related Parties

<u>Line items</u>	<u>Category of related party</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	Other related parties	\$ -	\$ 684	\$ -
Trade receivables	Investors with significant influence over the Company	\$ -	\$ 13	\$ -
	Other related parties	1,532	-	56
		<u>\$ 1,532</u>	<u>\$ 13</u>	<u>\$ 56</u>
Other receivables	Investors with significant influence over the Company	\$ 34	\$ 44	\$ -
	Other related parties	-	25	16
		<u>\$ 34</u>	<u>\$ 69</u>	<u>\$ 16</u>

The outstanding receivables to related parties are unsecured. No allowance for doubtful accounts was provided for receivables from related parties as of June 30 in 2024 and 2023, and December 31, 2023, respectively.

(5) Payables to Related Parties (Excluding Loans from Related Parties)

<u>Line items</u>	<u>Category/name of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes payable to related parties	Investors with significant influence over the Company			
	Far Eastern New Century Corporation (FENC)	<u>\$ 27,014</u>	<u>\$ 42,260</u>	<u>\$ 12,894</u>
Trade payables to related parties	Investors with significant influence over the Company	\$ 13,484	\$ 17,676	\$ 9,069
	Other related parties	38,921	23,945	40,201
		<u>\$ 52,405</u>	<u>\$ 41,621</u>	<u>\$ 49,270</u>
Other payables to related parties	Investors with significant influence over the Company	\$ -	\$ 1,332	\$ 2
	Other related parties			
	Everest Shanghai	23,932	34,834	19,440
	Other Matters	79	-	-
		<u>\$ 24,011</u>	<u>\$ 36,166</u>	<u>\$ 19,442</u>

The outstanding payables to related parties are not guaranteed.

(6) Lease Agreements

<u>Category/name of related parties</u>	<u>January 1 to June 30, 2024</u>
<u>Acquire Right-of-use asset</u>	
Investors with significant influence over the Company	
Yuan Ding Investment Co., Ltd.	\$ 24,344

<u>Line items</u>	<u>Category/name of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Lease liabilities	Investors with significant influence over the Company			
	Yuan Ding Investment Co., Ltd.	\$ 23,892	\$ -	\$ -
	Other related parties			
	Everest Investment(Holding) Limited	54,601	65,164	77,628
		<u>\$ 78,493</u>	<u>\$ 65,164</u>	<u>\$ 77,628</u>

<u>Category of related party</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Interest Expenses</u>				
Investors with significant influence over the Company	\$ 41	\$ -	\$ 41	\$ -
Other related parties	<u>577</u>	<u>811</u>	<u>1,203</u>	<u>1,693</u>
	<u>\$ 618</u>	<u>\$ 811</u>	<u>\$ 1,244</u>	<u>\$ 1,693</u>

(7) Borrowings from Related Parties

<u>Category/name of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Other related parties (included in short-term borrowings)</u>			
FEIB	<u>\$ 700,000</u>	<u>\$ 730,000</u>	<u>\$ 420,000</u>

Interest Expenses

<u>Category/name of related parties</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Other related parties</u>				
FEIB	<u>\$ 3,696</u>	<u>\$ 1,877</u>	<u>\$ 8,121</u>	<u>\$ 4,833</u>

In order to apply for the credit line, the Company provided land, buildings and machinery as collateral for the credit line from FEIB to other related parties. The book value of the mortgaged assets as of June 30 in 2024 and 2023, and December 31, 2023, was NT\$981,580 thousand, NT\$1,036,638 thousand, and NT\$1,095,058 thousand, respectively.

(8) Other Transactions with Related Parties

1. Processing Expenses

The consolidated company has entrusted Jin Lead Industrial Co., Ltd., a related party, to process on its behalf. The processing expenses recognized from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 were NT\$7,980 thousand, NT\$4,248 thousand, NT\$14,131 thousand and NT\$9,521 thousand, respectively. The aforementioned processing fee is priced according to the general transaction price, and the payment period is 1 to 2 months, which is the same as general processing factories.

2. Energy Expenses

<u>Category/name of related parties</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Other related parties</u>				
Everest Shanghai	<u>\$ 43,023</u>	<u>\$ 37,753</u>	<u>\$ 89,401</u>	<u>\$ 84,390</u>

The provision of electricity and steam for production were assessed based on market price.

3. Others Price

The consolidated company paid operating-related expenses to Yuan Ding Investment Co., Ltd., an investor with significant influence, amounting to NT\$99,000 for both the periods from April 1 to June 30, 2024, and from January 1 to June 30, 2024.

(9) Compensation of Key Management Personnel

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term employee benefits	\$ 9,123	\$ 6,744	\$ 17,871	\$ 13,446
Retirement benefits	<u>380</u>	<u>547</u>	<u>760</u>	<u>1,094</u>
	<u>\$ 9,503</u>	<u>\$ 7,291</u>	<u>\$ 18,631</u>	<u>\$ 14,540</u>

The remuneration of directors and other key management personnel was determined by the remuneration committee with regard to the correlation and rationale of general remuneration standards within the industry, individual performance, the Company's performance, and future risk.

27. Assets Pledged as Security

The following assets were provided as collateral for short-term and long-term bank facilities and customs deposits:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Land	\$ 511,904	\$ 512,654	\$ 511,698
Buildings	228,848	237,728	245,281
Machinery and equipment	492,085	542,009	594,574
Financial assets at amortized cost – non-current (accounted as other non-current assets)			
– Pledged bank time deposits	<u>100</u>	<u>100</u>	<u>100</u>
	<u>\$ 1,232,937</u>	<u>\$ 1,292,491</u>	<u>\$ 1,351,653</u>

28. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those disclosed in other notes, actual or potential significant commitments of the Group at the end of the reporting period are as follows:

Significant Commitments

- (1) As of June 30, 2024 and December 31, 2023, the Group participated in the "Brand Low-Carbon Circular Fashion Textile Products Demonstration Development Project," "Small and Medium-sized Manufacturing Industry Low-Carbon and Intelligent Upgrading and Transformation Subsidy" and "5G Dedicated Frequency and Network Realization of Factory Intelligent Logistics AGV System Project" of the Ministry of Economic Affairs and the Ministry of Digital Development. The total amount of the guarantee provided by Mega Bank was \$46,800 thousand.
- (2) The subsidiary in Everest Thailand has applied to the electric power company for the right to use electricity. The guarantees provided by the entrusted bank were NT\$6,715 thousand, NT\$6,829 thousand and NT\$6,677 thousand (both translated into THB7,573 thousand on June 30 in 2024 and 2023, and December 31, 2023) as of June 30, 2024 and 2023, and December 31, 2023, respectively.

- (3) As of June 30 in 2024 and 2023, and December 31, 2023, the Group's unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT\$25,337 thousand, NT\$31,688 thousand and NT\$21,798 thousand, respectively.
- (4) The Group's contractual commitments that were contracted for but not realized are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Purchase of property, plant and equipment	<u>\$ 99,421</u>	<u>\$ 172,060</u>	<u>\$ 134,104</u>

29. Other Matters

On February 15, 2023, the President promulgated amendments to the Climate Change Response Act, adding provisions for carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment announced draft regulations for "Carbon Fee Collection Measures," "Voluntary Reduction Plan Management Measures," and "Designated Greenhouse Gas Reduction Targets for Carbon Fee Collection Subjects. According to the draft carbon fee collection regulations, the carbon fee collection targets are emission sources that meet the Ministry of Environment's announcement for inventory registration and verification, and power industry and large manufacturing industries whose total annual greenhouse gas emissions from direct emissions and indirect emissions from electricity use across the entire plant (site) reach 25,000 metric tons of carbon dioxide equivalent.

Based on our company's emissions in 2023, it is expected that we will reach the aforementioned threshold in 2024. However, the aforementioned draft regulations are still in the announcement stage, and the carbon fee rate has not yet been published. Therefore, our company is unable to reasonably estimate the impact of the carbon fee.

30. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is an aggregation of the foreign currencies other than functional currencies of the Group, and the exchange rates disclosed are the exchange rate used in translating such foreign currencies into the functional currency. Significant assets and liabilities information denominated in foreign currencies are as follows:

Unit: foreign currencies and NT\$ in thousand

June 30, 2024

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 48,566	32.45	\$ 1,575,954
		(USD to NTD)	
USD	15,460	36.596	501,681
		(USD to THB)	
USD	20,853	7.300	676,680
		(USD to RMB)	
ETB	194,274	0.0173	108,881
		(ETB to USD)	
 <u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	5,837	32.45	189,408
		(USD to NTD)	
USD	2,560	36.596	83,078
		(USD to THB)	
USD	57	7.300	1,855
		(USD to RMB)	
ETB	14,657	0.0173	8,214
		(ETB to USD)	

December 31, 2023

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 38,746	30.705 (USD to NTD)	\$ 1,189,688
USD	11,284	34.052 (USD to THB)	346,489
USD	18,365	7.083 (USD to RMB)	563,907
ETB	169,740	0.0177 (ETB to USD)	92,153
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	7,417	30.705 (USD to NTD)	227,746
USD	3,208	34.052 (USD to THB)	98,490
USD	314	7.083 (USD to RMB)	9,656
ETB	10,115	0.0177 (ETB to USD)	5,491

June 30, 2023

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 25,697	31.14 (USD to NTD)	\$ 800,205
USD	13,043	35.322 (USD to THB)	406,173
USD	17,875	7.272 (USD to RMB)	556,617
THB	41,022	0.8816 (THB:NTD)	36,165
ETB	273,747	0.0181 (ETB to USD)	154,596

(Continued on next page)

(Brought forward from previous page)

<u>Financial liabilities</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 7,023	31.14 (USD to NTD)	\$ 218,698
USD	1,965	35.322 (USD to THB)	61,182
USD	1,048	7.272 (USD to RMB)	32,641
ETB	6,004	0.0181 (ETB to USD)	3,391

The Group is mainly exposed to the foreign currency risks related to USD. The following information is an aggregation of the functional currencies of the entities holding foreign currencies. The currency rates disclosed were the rates used to translate such functional currencies into the presentation currency. The significant realized and unrealized foreign exchange gains or losses are as follows:

<u>Functional currency</u>	<u>April 1 to June 30, 2024</u>		<u>April 1 to June 30, 2023</u>	
	<u>Functional currency translated into presentation currency</u>	<u>Net exchange (losses) gains</u>	<u>Functional currency translated into presentation currency</u>	<u>Net exchange (losses) gains</u>
USD	32.36 (USD:NTD)	(\$ 719)	30.705 (USD:NTD)	(\$ 1,946)
NTD	1 (NTD: NTD)	17,452	1 (NTD: NTD)	14,145
RMB	4.5522 (RMB:NTD)	(3,969)	4.3811 (RMB:NTD)	28,139
THB	0.8866 (THB:NTD)	239	0.8962(THB:NTD)	9,534
HKD	4.138 (HKD:NTD)	8	3.916 (HKD:NTD)	10
		<u>\$ 13,011</u>		<u>\$ 49,882</u>

<u>Functional currency</u>	<u>January 1 to June 30, 2024</u>		<u>January 1 to June 30, 2023</u>	
	<u>Functional currency translated into presentation currency</u>	<u>Net exchange (losses) gains</u>	<u>Functional currency translated into presentation currency</u>	<u>Net exchange (losses) gains</u>
USD	31.90 (USD:NTD)	(\$ 4,090)	30.55 (USD:NTD)	(\$ 4,014)
NTD	1 (NTD: NTD)	63,638	1 (NTD: NTD)	5,665
RMB	4.4898 (RMB:NTD)	5,310	4.4115 (RMB:NTD)	22,188
THB	0.8868 (THB:NTD)	14,141	0.8986 (THB:NTD)	2,583
HKD	4.079 (HKD:NTD)	15	3.897 (HKD:NTD)	20
		<u>\$ 79,014</u>		<u>\$ 26,442</u>

31. Supplemental Disclosures

(1) Information on Significant Transactions:

1. Loaning to others. (Table 1)
2. Endorsement and guarantee provided for others. (Table 2)
3. Securities held at the end of the period (excluding the investments in subsidiaries). (Table 3)
4. Cumulative purchase or sales of securities of the same company with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
5. Properties acquired with an amount achieving NT\$300,000 thousand or reaching

- 20% of its paid-in capital and above. (None)
6. Disposal of properties with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
 7. Purchases and sales with related parties with an amount achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 4)
 8. Receivables from related parties achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 5)
 9. Engaging in derivatives trading. (Note 7)
 10. Other: Business relationships and status and amount of significant transactions between the parent company and subsidiaries and between the respective subsidiaries. (Table 9)
- (2) Information on Investees (Table 6)
- (3) Information on Investment in Mainland China:
1. Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, profit or loss and investment gain or loss recognized for the period, carrying amount of investment at the end of the period, repatriated investment gain or loss, and ceiling of investments in mainland China. (Table 7)
 2. Significant transactions directly with investee companies in mainland China or directly or indirectly through a third region, and their prices, payment terms, unrealized profit or loss. (Tables 4, 5, 8, and 9)
 - (1) Purchase amount and percentage, and the closing balance and percentage of the related payables.
 - (2) Sales amount and percentage, and the closing balance and percentage of the related receivables.
 - (3) Property transaction amount and the resulting profit or loss.
 - (4) Closing balances and purposes of endorsements and guarantees or collateral provided.
 - (5) The maximum balance, closing balance, interest rate range, and total amount of current interest of financing facilities.
 - (6) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.
- (4) Information on Major Shareholders: Names, shareholdings, and shareholding ratio of shareholders with a shareholding ratio of 5% or more. (Table 10)

32. Department Information

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

Textile department – textile production

Investment department – general investment

(1) Department revenue and operating results

The analysis of the Group's revenue and operating result of continuing operations by reportable segment is as follows:

	<u>Textile segment</u>	<u>Investment segment</u>	<u>Total</u>
<u>January 1 to June 30, 2024</u>			
Department revenue – from external customers	<u>\$ 3,683,477</u>	<u>\$ -</u>	<u>\$ 3,683,477</u>
Segment loss	(<u>\$ 161,669</u>)	(<u>\$ 71</u>)	(\$ 161,740)
Interest Income			8,407
Interest Expenses			(71,223)
Net amount of other non-operating income			<u>116,301</u>
Net loss before tax			<u>(\$ 108,255)</u>
<u>January 1 to June 30, 2023</u>			
Department revenue – from external customers	<u>\$ 3,533,424</u>	<u>\$ -</u>	<u>\$ 3,533,424</u>
Segment loss	(<u>\$ 46,361</u>)	(<u>\$ 364</u>)	(\$ 46,725)
Interest Income			3,356
Interest Expenses			(104,538)
Net amount of other non-operating income			<u>48,749</u>
Net loss before tax			<u>(\$ 99,158)</u>

The revenue of reportable departments set out above were generated from transactions with external customers; there were no intra-department sales from January 1 to June 30, 2024 and 2023.

Segment profit represented the profit earned by each segment without the allocation of interest revenue, net foreign exchange gains or losses, interest expenses, and income tax expenses. The measured amounts are reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

(2) Total Department Assets

<u>Segment assets</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Textile segment	\$ 12,230,525	\$ 12,332,464	\$ 13,820,193
Investment segment	<u>14,345</u>	<u>13,809</u>	<u>7,155</u>
Consolidated total assets	<u>\$ 12,244,870</u>	<u>\$ 12,346,273</u>	<u>\$ 13,827,348</u>

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
CAPITAL LOANS TO OTHERS

January 1 to June 30, 2024

Table 1

Unit: NTS thousand

Code	Financing company	Borrower	Current account	Related party or not	Current maximum balance	Closing balance	Actual amount utilized (Note 4)	Interest rate range (%)	Nature of the loan (Note 3)	Transaction amount	Reason for the necessity of short-term financing	Allowance for doubtful debts provided	Collateral		Credit limit for the individual borrower	Total Limit on Loans Provided
													Name	Value		
0	The Company	Everest International (HK) Ltd.	Other receivables from related parties	Yes	\$ 486,750	\$ 486,750	\$ 421,850	2 -2.03	2.	\$ -	Working capital	\$ -	None	\$ -	\$ 1,164,062 (Note 1)	\$ 2,328,124 (Note 2)
		Everest Apparel S.A. (Haiti)	Other receivables from related parties	Yes	375,122	-	-	1.95 -2.01	2	-	Working capital	-	None	-	1,164,062 (Note 1)	
		Everest Apparel S.A. (Haiti)	Other receivables from related parties	Yes	554,895	554,895	554,895	1.95 -2.03	2	-	Working capital	-	None	-	1,164,062 (Note 1)	
		Everest Apparel S.A. (Haiti)	Other receivables from related parties	Yes	210,925	210,925	115,522	2.03	2	-	Working capital	-	None	-	1,164,062 (Note 1)	
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	486,750	486,750	-	-	2	-	Working capital	-	None	-	1,164,062 (Note 1)	
							<u>\$ 2,114,442</u>	<u>\$ 1,739,320</u>	<u>\$ 1,092,267</u>							
1	Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	\$ 535,724	\$ 535,724	\$ 535,724	6.28 -6.44	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	2,879,605 (Note 2)
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	24,435	24,435	24,435	6.28 -6.44	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	
		Everest Apparel S.A. (Haiti)	Other receivables from related parties	Yes	70,741	70,741	-	-	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	
		Everest Apparel S.A. (Haiti)	Other receivables from related parties	Yes	47,053	-	-	-	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	57,780	57,780	57,780	6.28 -6.44	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	29,854	29,854	17,419	6.44	2.	-	Working capital	-	None	-	1,727,763 (Note 1)	
							<u>\$ 765,587</u>	<u>\$ 718,534</u>	<u>\$ 635,358</u>							
2	Everest International (Shanghai) Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Other receivables from related parties	Yes	\$ 421,850	\$ -	\$ -	5.31	2.	-	Working capital	-	None	-	1,576,697 (Note 1)	2,365,046 (Note 2)
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	129,800	-	-	-	2.	-	Working capital	-	None	-	1,576,697 (Note 1)	
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	551,650	551,650	551,650	5.44	2.	-	Working capital	-	None	-	1,576,697 (Note 1)	
					<u>\$ 1,103,300</u>	<u>\$ 551,650</u>	<u>\$ 551,650</u>									
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	\$ 137,913	\$ -	\$ -	7.55 -7.59	2.	-	Working capital	-	None	-	751,889 (Note 1)	1,127,834 (Note 2)
		Everest Development USA, LLC.	Other receivables from related parties	Yes	152,515	152,515	152,515	7.55 -7.73	2.	-	Working capital	-	None	-	751,889 (Note 1)	
					<u>\$ 290,428</u>	<u>\$ 152,515</u>	<u>\$ 152,515</u>									
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Other receivables from related parties	Yes	<u>\$ 162,250</u>	<u>\$ 162,250</u>	<u>\$ 162,250</u>	4.59 -5.01	2.	-	Working capital	-	None	-	962,540 (Note 1)	1,443,810 (Note 2)

Note 1: Based on 20% of the equity attributable to owners of the Company, 150% of the equity of HK International, 100% of the equity of Everest Textile Shanghai, 100% of the equity of Everest Textile USA, LLC., and 100% of the equity of Everest USA Holdings, Inc.

Note 2: Based on 40% of the equity attributable to owners of the Company, 250% of the equity of HK International, 150% of the equity of Everest Textile Shanghai, 150% of the equity of Everest Textile USA, LLC., and 150% of the equity of Everest USA Holdings, Inc.

Note 3: Nature of the loan:

(1) Fill in 1 for those with business dealings.

(2) Fill in 2 for those in need of short-term financing.

Note 4: Written-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
ENDORSEMENT AND GUARANTEE PROVIDED FOR OTHERS

January 1 to June 30, 2024

Table 2

Unit: NT\$ thousand

Code	Name of the endorsement and guarantee provider	Parties being endorsed and guaranteed		Limit of endorsement and guarantee for a single entity (Note 1)	Current maximum balance of endorsement and guarantee	Closing balance of endorsement and guarantee	Actual amount utilized	Amount of endorsement and guarantee secured with collateral	Ratio of cumulative endorsement and guarantee to the net value stated in the latest financial statements (%)	Cap of endorsement and guarantee (Note 2)	Endorsement and guarantee provided by the parent for subsidiary	Endorsement and guarantee provided by the subsidiary for parent	Endorsement and guarantee provided for entities in mainland China
		Name of the Company	Relationship										
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary – 100% shareholding	\$ 4,365,232	\$ 64,900	\$ 64,900	\$ 21,417	\$ -	1.12		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	"	4,365,232	324,500	324,500	-	-	5.58		Y	N	N
		Everest International Development Investment Co., Ltd.	"	4,365,232	1,196,490	1,196,490	339,000	-	20.56		Y	N	N
		Everest Textile USA, LLC.	"	4,365,232	2,174,150	2,076,800	39,914	-	35.68		Y	N	N
		Everest International (HK) Ltd.	"	4,365,232	<u>1,492,700</u>	<u>1,492,700</u>	<u>84,370</u>	-	<u>25.65</u>		Y	N	N
					<u>\$ 5,252,740</u>	<u>\$ 5,155,390</u>	<u>\$ 484,701</u>		<u>88.59</u>	<u>\$ 8,730,464</u>			

Note 1: Based on 75% of the equity attributable to owners of the Company.

Note 2: Based on 150% of the equity attributable to owners of the Company.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
STATEMENT OF SECURITIES HELD AT THE END OF THE PERIOD

June 30, 2024

Table 3

Unit: NT\$ thousand

Company held	Category and name of securities	Relationship with the issuer of securities	Accounting item	End of the period				Remark
				Unit/number of shares	Carrying amount	Ratio (%)	Market value/net equity value	
The Company	Jin Lead Industrial Co., Ltd. – shares of an unlisted company	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current	526,800	\$ 5,479	19	\$ 5,479	
	Dah Chung Bills Finance Corp. – shares of a listed company	None	"	1,204	<u>15</u> \$ <u>5,494</u>	-	<u>15</u> \$ <u>5,494</u>	
Everest International Develop Investment Co., Ltd.	Everest Textile – shares of a listed company	Parent company	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current	20,177,533	<u>\$ 161,218</u>	2.9	<u>\$ 161,218</u>	

Note 1: The term "securities" used in this Schedule refers to shares, bonds, beneficiary certificates, and securities derived from the aforesaid items.

Note 2: Please see Table 6 and Table 7 for information related to investments in subsidiaries.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

PURCHASES AND SALES WITH RELATED PARTIES WITH AN AMOUNT ACHIEVING NT\$100,000 THOUSAND OR REACHING 20% OF ITS PAID-IN CAPITAL AND ABOVE

January 1 to June 30, 2024

Table 4

Unit: NT\$ thousand

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction conditions differ from general transactions		Notes and trade receivables (payables)		Remark
			Purchase (sales) of goods	Amount	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance	Ratio to total receivables (payables) (%)	
The Company	Everest Textile (Thailand) Co., Ltd.	Subsidiary	Outsourced processing	\$ 297,090	88	Settle every 1 month	No comparable goods under the same category	—	(\$ 49,733)	(14)	Note
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchase	130,598	18	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(40,498)	(11)	
	Everest Textile USA, LLC.	Subsidiary	Purchase	116,640	16	1 to 2 months	Equivalent	Equivalent	(28,357)	(8)	Note
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	(386,646)	(40)	Settle every 2 to 4 months	Equivalent	Equivalent	53,497	19	Note

Note: Written-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES ACHIEVING NT\$100,000 THOUSAND OR REACHING 20% OF ITS PAID-IN CAPITAL AND ABOVE

June 30, 2024

Table 5

Unit: NT\$ thousand

Company with book receivables	Counterparty	Relationship	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Balance of receivables from the related party	Allowance for losses provided
					A m o u n t	M e t h o d o f d i s p o s a l		
The Company	Everest Apparel (Haiti) S.A.	Subsidiary	\$ 157,325	-	\$ -	—	\$ -	\$ -
		Subsidiary	678,749	Note 1	-	—	-	-
	Everest International (HK) Ltd.	Subsidiary	425,472	Note 1	-	—	-	-
	Everest Investment (Holding) Ltd.	Subsidiary	291,510	Note 2	-	—	178,838	-
Everest Textile (Shanghai) Ltd.	Everest Textile USA, LLC.	Fellow subsidiary	552,061	Note 1	-	—	-	-
Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	712,025	Note 1	-	—	-	-
Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Subsidiary	166,133	Note 1	-	—	-	-
Everest Textile USA, LLC.	Everest Development USA, LLC.	Fellow subsidiary	154,565	Note 1	-	—	-	-
Everest Investment (Holding) Ltd.	Everest Textile (Shanghai) Ltd.	Subsidiary	355,441	Note 2	-	—	201,059	-

Note 1: The nature of the financing, not applicable for turnover rate calculation.

Note 2: The nature of the financing, not applicable for turnover rate calculation.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
INFORMATION ON INVESTEEES

January 1 to June 30, 2024

Table 6

Unit: NT\$ thousand

Inventor company Name	Name of the investees	Location	Principal business activities	Initial investment amount		Held at the end of the period			Current gain (loss) of the investees	Investment gain (loss) recognized for the period	Remark
				End of the period	End of the previous year	Number of shares	Ratio (%)	Carrying amount			
The Company	Everest Investment (Holding) Ltd.	Everest	Holdings and international trade	\$ 955,893	\$ 955,893	1,300	100	\$ 3,122,119	\$ 205,157	\$ 205,157	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	2,291,400	2,291,400	220,700,000	100	(243,258) (註 1)	(232,422)	(232,422)	Note 3
	Everest Textile (HK) Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	770	92	92	Note 3
Everest Investment (Holding) Ltd.	Everest Textile (Thailand) Co., Ltd.	Thailand	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	701,063	701,063	79,999,993	100	1,502,203	118,193		Note 3
Everest International Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Hong Kong	Investment and holdings	1,418,047	1,418,047	46,300,000	100	1,151,842	(57,044)		Note 3
	Everest Apparel (HK) Ltd.	Hong Kong	Investment and holdings	974,505	974,505	31,580,000	100	(1,037,255)	(170,684)		Note 3
Everest International (HK) Ltd.	Everest USA Holdings, Inc.	United States of America	Investment and holdings	1,418,047	1,418,047	1,000	100	962,540	(73,466)		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	United States of America	Operating asset management	79,170	79,170	2,500,000	100	37,908	(6,309)		Note 3
	Everest Textile USA, LLC.	United States of America	Production and dyeing of yarn and woven fabrics	1,181,263	1,181,263	38,800,000	100	751,889	(71,077)		Note 3
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	(236,824)	(65,894)		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(806,853)	(104,906)		Note 3

Note 1: The carrying amount at the end of the period is the balance after deducting the parent company's shares held by the subsidiary that are deemed as treasury shares amounting to NT\$332,836 thousand.

Note 2: Please refer to Table 7 for information on investments in mainland China.

Note 3: Written-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA

January 1 to June 30, 2024

Table 7

Unit: NT\$ Thousands, unless specified otherwise

Name of the investee company in mainland China	Principal business activities	Paid-in capital (Note 2)	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered for the period		Cumulative investment amount remitted from Taiwan at the end of the period	Current gain (loss) of the investees	The Company's direct or indirect investment shareholding (%)	Investment (loss) gain recognized for the period (Notes 3 and 4)	Carrying amount of investments at the end of the period	Investment gains repatriated at the end of the period
					Remitted	Recovered						
Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	\$ 973,500 (US\$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	\$ 980,349 (US\$30,000 thousand)	\$ -	\$ -	\$ 980,349 (US\$30,000 thousand)	\$ 85,945	100	\$ 87,415	\$ 1,576,697	\$ -

Cumulative investment amount remitted from Taiwan to mainland China at the end of the period (Note 2)	Investment amount approved by the Ministry of Economic Affairs Investment Committee (Note 2)	Investment limits stated by MOEAIC regarding investments in mainland China (Note 1)
\$ 973,500 (US\$30,000 thousand)	\$ 973,500 (US\$30,000 thousand)	\$ 3,492,185

Note 1: Calculated based on the limits stated in the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the MOEAIC on August 29, 2009 ($\$5,820,309 \times 60\% = \$3,492,185$).

Note 2: The relevant amount is translated at a currency rate where USD\$1 equals NT\$32.45.

Note 3: Investment gains are recognized according to the financial statements audited by an international accounting firm that cooperates with CPA Associations R.O.C. (Taiwan).

Note 4: Investment gains recognized for the period is the net amount after deducting the realized gross sales of goods amounted to NT\$1,470 thousand arising from the side current transactions.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA,
AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**

January 1 to June 30, 2024

Table 8

Unit: NT\$ thousand

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction amount differ from general transactions		Notes and trade receivables (payables)		Unrealized gains (losses) (Note)
			Purchase (sales) of goods	Amount (Note)	Ratio to total purchase of goods (%)	Credit period	Unit price	Credit period	Balance (Note)	Proportion to total notes and accounts receivable (payable) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(\$ 16,516)	(1)	Settle every 6 months	Equivalent	Equivalent	\$ 1,258	-	(\$ 164)
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	(386,646)	(40)	Settle every 2 to 4 months	Equivalent	Equivalent	53,497	19	(783)

Note: Written-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

BUSINESS RELATIONSHIPS AND STATUS OF SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES AND BETWEEN THE RESPECTIVE SUBSIDIARIES

January 1 to June 30, 2024

Table 9

Unit: NT\$ thousand

Code	Name of the transacting party	Counterparty of the transaction	Relationship with the transacting party (Note 1)	Transaction status			
				Accounts	Amount (Note 2)	Transaction conditions	Ratio to the consolidated total operating revenue or total assets (%)
0	The Company	Everest Textile (Thailand) Co., Ltd.	1	Sales of goods	\$ 49,336	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Processing Expenses	297,090	No comparable goods under the same category; payment terms shall be settled every 1 month.	8
				Purchase of machine supplies on behalf of others	17,249	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
				Trade payables to related parties	49,733		-
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	16,516	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
				Sales of goods	17,936	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
		Everest Textile USA, LLC.	1	Purchase	116,640	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	3
				Trade receivables from related parties	16,801		-
				Trade payables to related parties	28,357		-
				Purchase	18,035	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	-
		Everest International (HK) Ltd.	1	Selling and Marketing Expenses	13,988	Price negotiation is adopted and payments are offset against other receivables	-
				Other receivables from related parties	425,472		3
				Trade receivables from related parties	157,325		1
				Other receivables from related parties	678,749		6
Everest Investment (Holding) Ltd.	1	Other receivables from related parties	291,510		2		
		Sales of goods	386,646	The transactions are made at general transaction prices; collection terms shall be settled every 2 to	10		
1	Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	3				

				Trade receivables from related parties	53,497	4 months.	-
		Everest Textile USA, LLC.	3	Other receivables from related parties	552,061		5
2	Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	712,025		6
3	Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	34,002	The transactions are made at general transaction prices; collection terms shall be settled every 1 to 2 months.	1
		Everest Development USA, LLC.	3	Other receivables from related parties	154,565		1
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	1	Other receivables from related parties	166,133		1
5	Everest Investment (Holding) Ltd.	Everest Textile (Shanghai) Ltd.	1	Other receivables from related parties	355,441		3

Note 1: The relationship with a transacting party is divided into three categories set out below:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note2: Written-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD.
INFORMATION ON MAJOR SHAREHOLDERS

June 30, 2024

Table 10

Name of the major shareholder	Shares	
	Number of shares held (share)	Shareholding ratio
Yuan Ding Investment Corp.	164,613,745	23.69%