

Stock Code: 1460

Everest Textile Co., Ltd.

and Its Subsidiaries

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

Address: No. 256, Minghe Vil., Shanshang Dist., Tainan City, Taiwan (R.O.C.)
Telephone: (06)578-2561

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' review report and consolidated financial statements shall prevail.

§TABLE OF CONTENTS§

Contents	Page	Financial Statements No. in Notes
I. Cover Page	1	-
II. Table of Contents	2	-
III. Auditors' Report	3-4	-
IV. Consolidated Balance Sheet	5	-
V. Consolidated Statements of Comprehensive Income	6-7	-
VI. Consolidated Statements of Changes in Equity	8	-
VII. Consolidated Statements of Cash Flows	9-10	-
VIII. Notes to the Consolidated Financial Statements		
1. Company History	11	1
2. Date and Procedures of Approval of the Financial Statements	11	2
3. Application of New and Amended Standards and Interpretations	11-14	3
4. Summary of Significant Accounting Policies	15-16	4
5. Significant Accounting Judgments and Assumptions, and Key Sources of Estimation Uncertainty	17	5
6. Details of Significant Accounts	17-44	6-25
7. Related-Party Transactions	45-50	26
8. Assets Pledged as Security	51	27
9. Significant Contingent Liabilities and Unrecognized Contractual Commitments	51	28
10. Other Matters	52	29
11. Other	52-54	30
12. Supplemental Disclosures		
(1) Information on Significant Transactions	55, 59-63, 65, 67	31
(2) Information on Investees	55, 64	31
(3) Information on Investment in Mainland China	55-56, 62-63, 66-67	31
(4) Information on Major Shareholders	56, 68	31
13. Department Information	57-58	32

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 September 30, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the period from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023, as well as the notes to the consolidated financial statements for the period from January 1 to September 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 September 30, 2024 and 2023, and their consolidated financial performance and its consolidated cash flows for the period from July 1 to September 30, 2024 and 2023, and their consolidated financial performance and cash flows for the periods from January 1 to September 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
November 6, 2024

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’ review report and consolidated financial statements shall prevail.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2024 and 2023, and December 31, 2023

Unit: NT\$ Thousand

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and Cash Equivalents (Note 6)	\$ 814,197	7	\$ 708,976	6	\$ 453,178	3
1110	Financial Assets Measured at Fair Value Through Profit or Loss						
	- Current (Note 7)	2,380	-	4,612	-	2,002	-
1150	Notes Receivable (Note 10, 21 and 26)	10,740	-	12,112	-	13,324	-
1170	Accounts Receivable (Note 10, 21 and 26)	641,329	5	762,402	6	916,867	7
1200	Other Receivables (Note 26)	41,334	1	33,698	-	313,754	2
1220	Current Income Tax Assets	20,195	-	7,804	-	9,611	-
130X	Inventories (Note 11)	4,605,702	38	4,989,685	41	5,818,915	43
1470	Other Current Assets (Note 15)	136,131	1	120,660	1	118,841	1
11XX	Total Current Assets	<u>6,272,008</u>	<u>52</u>	<u>6,639,949</u>	<u>54</u>	<u>7,646,492</u>	<u>56</u>
	Non-current Assets						
1517	Financial Assets Measured at Fair Value Through Other Comprehensive Income – Non-current (Note 4 and 8)	5,494	-	5,494	-	5,267	-
1600	Property, Plant and Equipment (Note 13, 26 and 27)	4,986,100	41	5,050,756	41	5,202,453	39
1755	Right-of-use Assets (Note 14 and 26)	372,023	3	363,393	3	433,529	3
1840	Deferred Income Tax Assets	163,040	2	132,072	1	131,890	1
1975	Net Defined Benefit Assets – Non-current (Note 4 and 19)	615	-	5,381	-	-	-
1990	Other Non-current Assets (Note 9, 15 and 27)	283,344	2	149,228	1	131,417	1
15XX	Total Non-current Assets	<u>5,810,616</u>	<u>48</u>	<u>5,706,324</u>	<u>46</u>	<u>5,904,556</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 12,082,624</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 13,551,048</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2100	Short-Term Borrowings (Note 16, 26 and 27)	\$ 2,659,172	22	\$ 2,581,572	21	\$ 2,703,518	20
2110	Short-Term Notes and Bills Payable (Note 16)	1,249,702	11	1,349,337	11	1,499,146	11
2120	Financial Liabilities Measured at Fair Value Through Profit or Loss – Current (Note 7)	30	-	71	-	219	-
2130	Contract Liabilities - Current (Note 21)	27,080	-	29,015	-	31,887	-
2150	Notes Payable (Note 17)	13,181	-	29,963	-	28,005	-
2160	Notes Payable - Related Parties (Note 17 and 26)	5,813	-	42,260	1	21,776	-
2170	Accounts Payable (Note 17)	510,060	4	392,496	3	436,792	3
2180	Accounts Payable – Related Parties (Note 17 and 26)	72,443	1	41,621	-	35,889	-
2219	Other Payables (Note 18)	500,086	4	477,762	4	449,016	4
2220	Other Payables – Related Parties (Note 27)	26,130	-	36,166	-	32,439	-
2230	Current Income Tax Liabilities	27,858	-	40,507	-	17,903	-
2250	Refund Liabilities – Current	7,154	-	7,154	-	7,154	-
2280	Lease Liabilities – Current (Note 14 and 26)	89,681	1	76,920	1	89,432	1
2322	Current Portion of Long-Term Loans Payable (Note 16 and 17)	400,000	3	380,000	3	490,000	4
2399	Other Current Liabilities (Note 18)	15,220	-	29,399	-	25,755	-
21XX	Total Current Liabilities	<u>5,603,610</u>	<u>46</u>	<u>5,514,243</u>	<u>44</u>	<u>5,868,931</u>	<u>43</u>
	Non-Current Liabilities						
2540	Long-Term Borrowings (Note 16 and 27)	137,500	1	438,615	4	551,823	4
2570	Deferred Income Tax Liabilities	179,276	2	179,276	1	169,668	1
2580	Lease Liabilities – Non-current (Note 14 and 26)	336,354	3	339,602	3	397,069	3
2630	Long-Term Deferred Revenue	-	-	5,625	-	-	-
2640	Net Defined Benefit Liabilities – Non-current (Note 4 and 19)	-	-	-	-	43,051	1
2645	Guarantee Deposits Received	820	-	770	-	770	-
2670	Other Non-current Liabilities	-	-	333	-	370	-
25XX	Total Non-Current Liabilities	<u>653,950</u>	<u>6</u>	<u>964,221</u>	<u>8</u>	<u>1,162,751</u>	<u>9</u>
2XXX	Total Liabilities	<u>6,257,560</u>	<u>52</u>	<u>6,478,464</u>	<u>52</u>	<u>7,031,682</u>	<u>52</u>
	Equity Attributable to Owners of the Company (Note 20)						
	Share Capital						
3110	Ordinary Shares	6,946,434	58	6,946,434	56	6,946,434	51
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	2	305,704	2	305,704	2
3350	Deficits to Be Compensated	(1,447,086)	(12)	(1,173,977)	(9)	(564,085)	(4)
3300	Total Accumulated Deficit	(942,624)	(8)	(669,515)	(5)	(59,623)	(1)
3400	Other Equity Interest	38,141	-	(192,222)	(1)	(150,558)	(1)
3500	Treasury Shares	(332,836)	(3)	(332,836)	(3)	(332,836)	(3)
31XX	Total Equity Attributable to Owners of the Company	<u>5,825,058</u>	<u>48</u>	<u>5,867,804</u>	<u>48</u>	<u>6,519,360</u>	<u>48</u>
36XX	Non-Controlling Interests	6	-	5	-	6	-
3XXX	Total Equity	<u>5,825,064</u>	<u>48</u>	<u>5,867,809</u>	<u>48</u>	<u>6,519,366</u>	<u>48</u>
	Total Liabilities and Equity	<u>\$ 12,082,624</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 13,551,048</u>	<u>100</u>

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

Chairman: Johnny Hih

Manager: Hsien-Chung Li

Accounting Executive: Mei Hsiu Huang

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

July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023

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

Code		July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Note 21 and 26)	\$ 2,121,080	100	\$ 2,021,904	100	\$ 5,804,557	100	\$ 5,555,328	100
5000	Operating Costs (Note 11, 13, 22 and 26)	<u>1,905,016</u>	<u>90</u>	<u>2,126,425</u>	<u>105</u>	<u>5,182,545</u>	<u>89</u>	<u>5,068,278</u>	<u>91</u>
5900	Operating Gross Profit (loss)	<u>216,064</u>	<u>10</u>	<u>(104,521)</u>	<u>(5)</u>	<u>622,012</u>	<u>11</u>	<u>487,050</u>	<u>9</u>
	Operating Expenses (Note 10, 22 and 26)								
6100	Selling and Marketing Expenses	129,900	6	148,795	7	369,611	6	402,677	7
6200	Administrative Expenses	115,442	6	103,737	5	356,795	6	338,266	6
6300	Research and Development Expenses	50,406	2	58,611	3	138,935	3	179,076	3
6450	Expected Credit Impairment Loss (Gain on Reversal)	<u>(19,942)</u>	<u>(1)</u>	<u>19,974</u>	<u>1</u>	<u>(21,857)</u>	<u>-</u>	<u>49,785</u>	<u>1</u>
6000	Total Operating Expenses	<u>275,806</u>	<u>13</u>	<u>331,117</u>	<u>16</u>	<u>843,484</u>	<u>15</u>	<u>969,804</u>	<u>17</u>
6500	Other Revenue and net Expenses and Losses (Note 22 and 26)	<u>591</u>	<u>-</u>	<u>4,882</u>	<u>-</u>	<u>581</u>	<u>-</u>	<u>5,273</u>	<u>-</u>
6900	Net Operating Profit (Loss)	<u>(59,151)</u>	<u>(3)</u>	<u>(430,756)</u>	<u>(21)</u>	<u>(220,891)</u>	<u>(4)</u>	<u>(477,481)</u>	<u>(8)</u>
	Non-operating Revenue and Expenses (Note 7, 22 and 26)								
7100	Interest Income	3,557	-	1,299	-	11,964	-	4,655	-
7010	Other Revenue	27,510	1	13,019	1	79,605	2	55,221	1
7020	Other Gains and Losses	<u>(72,777)</u>	<u>(3)</u>	31,868	1	<u>(8,571)</u>	<u>-</u>	38,415	1
7510	Interest Expenses	<u>(24,579)</u>	<u>(1)</u>	<u>(46,558)</u>	<u>(2)</u>	<u>(95,802)</u>	<u>(2)</u>	<u>(151,096)</u>	<u>(3)</u>
7000	Total Non-operating Revenue and Expenses	<u>(66,289)</u>	<u>(3)</u>	<u>(372)</u>	<u>-</u>	<u>(12,804)</u>	<u>-</u>	<u>(52,805)</u>	<u>(1)</u>
7900	Net Loss Before Tax	<u>(125,440)</u>	<u>(6)</u>	<u>(431,128)</u>	<u>(21)</u>	<u>(233,695)</u>	<u>(4)</u>	<u>(530,286)</u>	<u>(9)</u>
7950	Income tax Expense (Note 4 and 23)	<u>30,952</u>	<u>1</u>	<u>14,969</u>	<u>1</u>	<u>39,413</u>	<u>1</u>	<u>33,800</u>	<u>1</u>
8200	Net Loss	<u>(156,392)</u>	<u>(7)</u>	<u>(446,097)</u>	<u>(22)</u>	<u>(273,108)</u>	<u>(5)</u>	<u>(564,086)</u>	<u>(10)</u>
	Other Comprehensive Income								
8360	Items That May Be Reclassified Subsequently to Profit or Loss								
8361	Exchange Differences on Translation of Foreign Financial Statements	<u>161,141</u>	<u>7</u>	<u>82,697</u>	<u>4</u>	<u>230,363</u>	<u>4</u>	<u>28,738</u>	<u>-</u>
8300	Other Comprehensive Income for the Period (Net Value After Tax)	<u>161,141</u>	<u>7</u>	<u>82,697</u>	<u>4</u>	<u>230,363</u>	<u>4</u>	<u>28,738</u>	<u>-</u>
8500	Total Comprehensive Income for the Period	<u>\$ 4,749</u>	<u>-</u>	<u>(\$ 363,400)</u>	<u>(18)</u>	<u>(\$ 42,745)</u>	<u>(1)</u>	<u>(\$ 535,348)</u>	<u>(10)</u>
8600	Net Profit (Loss) Attributable to:								
8610	Owners of the Company	<u>(\$ 156,392)</u>	<u>(7)</u>	<u>(\$ 446,097)</u>	<u>(22)</u>	<u>(\$ 273,109)</u>	<u>(5)</u>	<u>(\$ 564,085)</u>	<u>(10)</u>
8620	Non-Controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
		<u>(\$ 156,392)</u>	<u>(7)</u>	<u>(\$ 446,097)</u>	<u>(22)</u>	<u>(\$ 273,108)</u>	<u>(5)</u>	<u>(\$ 564,086)</u>	<u>(10)</u>

(Continued on next page)

(Brought forward from previous page)

<u>Code</u>	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>		<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8700	Total Comprehensive Income							
	Attributable to:							
8710	\$ 4,749	-	(\$ 363,400)	(18)	(\$ 42,746)	(1)	(\$ 535,347)	(10)
8720	-	-	-	-	1	-	(1)	-
	<u>\$ 4,749</u>	<u>-</u>	<u>(\$ 363,400)</u>	<u>(18)</u>	<u>(\$ 42,745)</u>	<u>(1)</u>	<u>(\$ 535,348)</u>	<u>(10)</u>
	Net Loss per Share (Note 24)							
9710	(\$ 0.23)		(\$ 0.66)		(\$ 0.40)		(\$ 0.84)	
9810	(0.23)		(0.66)		(0.40)		(0.84)	

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

Chairman: Johnny Hih

Manager: Hsien-Chung Li

Accounting Executive: Mei Hsiu Huang

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

January 1 to September 30, 2024 and 2023

Unit: NT\$ Thousand

		Equity Attributable to Owners of the Company											
		Share Capital		Retained Earnings (Accumulated Deficit)			Other Equity Items						
Code		Capital - Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Surplus (Deficits to Be Compensated)	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-Controlling Interests	Total Equity
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	Net profit (loss) from January 1 to September 30, 2024	-	-	-	-	(273,109)	-	-	-	-	(273,109)	1	(273,108)
D3	Other Comprehensive Income after Tax from January 1 to September 30, 2024	-	-	-	-	-	230,363	-	230,363	-	230,363	-	230,363
D5	Total Comprehensive Income from January 1 to September 30, 2024	-	-	-	-	(273,109)	230,363	-	230,363	-	(42,746)	1	(42,745)
Z1	Balance as of September 30, 2024	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 198,758</u>	<u>\$ 305,704</u>	<u>(\$ 1,447,086)</u>	<u>\$ 33,942</u>	<u>\$ 4,199</u>	<u>\$ 38,141</u>	<u>(\$ 332,836)</u>	<u>\$ 5,825,058</u>	<u>\$ 6</u>	<u>\$ 5,825,064</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 September 30, 2023	-	-	-	-	(564,085)	-	-	-	-	(564,085)	(1)	(564,086)
D3	Other Comprehensive Losses after Tax from January 1 to September 30, 2023	-	-	-	-	-	28,738	-	28,738	-	28,738	-	28,738
D5	Total Comprehensive Income from January 1 to September 30, 2023	-	-	-	-	(564,085)	28,738	-	28,738	-	(535,347)	(1)	(535,348)
Z1	Balance as of September 30, 2023	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 198,758</u>	<u>\$ 305,704</u>	<u>(\$ 564,085)</u>	<u>(\$ 154,530)</u>	<u>\$ 3,972</u>	<u>(\$ 150,558)</u>	<u>(\$ 332,836)</u>	<u>\$ 6,519,360</u>	<u>\$ 6</u>	<u>\$ 6,519,366</u>

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

Chairman: Johnny Hih

Manager: Hsien-Chung Li

Accounting Executive: Mei Hsiu Huang

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

January 1 to September 30, 2024 and 2023

Unit: NT\$ Thousand

<u>Code</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
	Cash Flows from Operating Activities	
A10000	(\$ 233,695)	(\$ 530,286)
	Income and Expense Items	
A20100	581,246	606,750
A20300		
	(21,857)	49,785
A20900	95,802	151,096
A21200	(11,964)	(4,655)
A21300	(422)	(791)
A22500		
	(581)	(5,273)
A23700		
	29,638	49,597
A23700		
	-	(6,966)
A24100		
	(23,169)	(11,597)
A29900		
	-	(1)
A30000	Net Changes in Operating Assets and Liabilities	
A31130	1,372	41,229
A31150	151,894	184,388
A31180	(6,176)	400,524
A31200	470,027	307,965
A31240	(15,599)	184,503
A31990		
	2,232	(1,813)
A32125	(1,935)	(24,933)
A32130	(16,782)	8,384
A32140	(36,447)	4,728
A32150	103,614	(67,884)
A32160	30,822	13,406
A32180	14,453	12,935
A32190	(10,036)	10,234
A32230	(18,267)	(15,906)
A32240	4,766	114
A32250		
	(41)	(21)
A32990	-	(32)
A33000	1,088,895	1,355,480
A33100	11,948	4,702

(Continued on next page)

(Brought forward from previous page)

<u>Code</u>		<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
A33300	Interest Paid	(\$ 96,832)	(\$ 158,718)
A33500	Income Tax Paid	(93,382)	(35,202)
AAAA	Net Cash Inflows from Operating Activities	<u>910,629</u>	<u>1,166,262</u>
	Cash Flows from Investing Activities		
B02700	Purchase of Property, Plant and Equipment	(450,997)	(321,421)
B02800	Proceeds From Disposal of Property, Plant and Equipment	607	1,931
B03700	Increase in Refundable Deposits	(1,613)	(568)
B03800	Decrease in Refundable Deposits	6,172	877
B07600	Dividends Received	<u>422</u>	<u>791</u>
BBBB	Net Cash Outflows from Investing Activities	(<u>445,409</u>)	(<u>318,390</u>)
	Cash Flows from Financing Activities		
C00100	Increase in Short-term Borrowings	19,043,961	8,913,252
C00200	Decrease in Short-term Borrowings	(19,008,126)	(10,059,777)
C00500	Increase in Short-term Notes and Bills Payable	16,683,555	9,740,098
C00600	Decrease in Short-term Notes and Bills Payable	(16,783,190)	(9,110,409)
C01600	Proceeds From Long-term Borrowings	275,000	1,093,221
C01700	Repayments of Long-term Borrowings	(555,435)	(1,425,000)
C03000	Increase in Guarantee Deposits Received	1,357	2,572
C03100	Decrease in Guarantee Deposits Received	(2,984)	(4,093)
C04020	Lease Principal Repayments	(<u>75,402</u>)	(<u>83,368</u>)
CCCC	Net Cash Outflows from Financing Activities	(<u>421,264</u>)	(<u>933,504</u>)
DDDD	Effects of Exchange Rate Changes on Cash and Cash Equivalents	<u>61,265</u>	(<u>8,421</u>)
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	105,221	(94,053)
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>\$ 814,197</u>	<u>\$ 453,178</u>

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

Chairman: Johnny Hih

Manager: Hsien-Chung Li

Accounting Executive: Mei Hsiu Huang

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

January 1 to September 30, 2024 and 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 November 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: the Group must identify assets, liabilities, equity, revenue, 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. The Group shall label such items as “other” only when a more informative name cannot be found.
- Increase disclosure of management-defined performance measures: When the Groups publicly communicates outside of financial statements or communicate with financial statement users on management’s perspective on a certain aspect of the Group’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 classified as 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 Inputs: Refer to quoted prices in active markets for identical assets or liabilities on the measurement date (unadjusted).
2. Level 2 Inputs: Refer 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) Basis of Consolidation

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.

Please refer to Note 12 and Tables 6 and 7 for details on subsidiaries, shareholding ratio, 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;
- (3) Cash and cash equivalents (excluding those 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 Expense

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 for primary sources and explanations of uncertainties in material accounting judgments, estimates, and assumptions.

6. Cash and Cash Equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on Hand and Working Capital	\$ 1,781	\$ 2,105	\$ 4,298
Checks and Demand Deposits in Banks	662,674	405,459	232,958
Cash Equivalents (Investments with an Initial Maturity of Less Than 3 Months)			
Time Deposits	<u>149,742</u>	<u>301,412</u>	<u>215,922</u>
	<u>\$ 814,197</u>	<u>\$ 708,976</u>	<u>\$ 453,178</u>

The interest rates of time deposits with original maturities within 3 months were 1.55%~5.25%, 1.55%~5.31% and 1.55%~ 2.10% as of September 30, 2024 and 2023, and December 31, 2023, respectively.

7. Financial Instruments Measured at Fair Value Through Profit or Loss

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial Assets – Current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward Foreign Exchange Contracts	\$ <u>2,380</u>	\$ <u>4,612</u>	\$ <u>2,002</u>
<u>Financial Liabilities – Current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward Foreign Exchange Contracts	\$ <u>30</u>	\$ <u>71</u>	\$ <u>219</u>

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

September 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 RMB	2024.10.10-2024.10.21	USD 8,500/RMB 59,698
Forward Foreign Exchange Sale	USD to NTD	2024.10.18-2024.11.05	USD 4,380/NTD 139,299
Forward Foreign Exchange Sale	USD to THB	2024.10.21	USD 1,000/THB 32,800

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	2024.1.04-2024.01.12	USD 11,000/RMB 78,313
Forward Foreign Exchange Sale	USD to NTD	2024.1.05-2024.01.26	USD 5,920/NTD 184,148
Forward Foreign Exchange Sale	USD to THB	January 5, 2024	USD 1,200/THB 41,330

September 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	2023.10.11-2023.10.20	USD 8,000/RMB 58,308

For the years 2024 and 2023, the purpose of the Group's forward foreign 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 periods from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 respectively, the valuation losses on financial assets and liabilities at fair value through profit or loss were \$9,246 thousand, \$1,527 thousand, 7,408 thousand, and \$20,245 thousand, respectively, which were included in other gains and losses in the consolidated statements of comprehensive income.

8. Financial Assets Measured at Fair Value through Other Comprehensive Income

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 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	<u>15</u>	<u>15</u>	<u>15</u>
	<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 be inconsistent with the aforementioned strategic investment plan.

9. Financial Assets at Amortized Cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Non-current (Accounted for as Other</u>			
<u>Non-current Assets)</u>			
Pledge Time Deposit with an Initial			
Maturity of More Than 3 Months			
	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

- (1) The interest rate of time deposits with original maturities over 3 months were 1.71%, 1.58%, and 1.58% as of September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Notes Receivable</u>			
Measured at Amortized Costs			
Total Carrying Amount			
- Arising due to Operations	\$ <u>10,740</u>	\$ <u>12,112</u>	\$ <u>13,324</u>
 <u>Accounts Receivable</u>			
Measured at Amortized Costs			
Total Carrying Amount	\$ 676,637	\$ 915,809	\$ 1,099,595
Loss: Loss Allowances	<u>35,308</u>	<u>153,407</u>	<u>182,728</u>
	<u>\$ 641,329</u>	<u>\$ 762,402</u>	<u>\$ 916,867</u>

The Group's average credit period for sales of goods is 30 to 180 days. Interest does not accrue for accounts receivable. 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 accounts receivable. In addition, the Group reviews the recoverable amount of accounts 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 accounts receivable 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 accounts receivable.

The Group's write-off accounts receivable 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 September 30, 2024 and 2023, and December 31, 2023, respectively, 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 accounts receivable measured based on the provisional matrix are as follows:

September 30, 2024

	No Indicators of Impairment for the Individual Asset Exists			Total
	90 Days and Below	91 to 180 Days	181 Days and Above	
Expected Credit Loss Rate	0%-12.22%	0%-37.57%	0%-100%	
Total Carrying Amount	\$ 630,367	\$ 8,859	\$ 37,411	\$ 676,637
Loss Allowances (Lifetime Expected Credit Loss)	(9,338)	(409)	(25,561)	(35,308)
Amortized Costs	<u>\$ 621,029</u>	<u>\$ 8,450</u>	<u>\$ 11,850</u>	<u>\$ 641,329</u>

December 31, 2023

	No Indicators of Impairment for the Individual Asset Exists			Indicators of Impairment for the Individual Asset Exists	Total
	90 Days and Below	91 to 180 Days	181 Days and Above		
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>

September 30, 2023

	No Indicators of Impairment for the Individual Asset Exists			Indicators of Impairment for the Individual Asset Exists	Total
	90 Days and Below	91 to 180 Days	181 Days and Above		
Expected Credit Loss Rate	0%-8.76%	0%-25.71%	0%-100%	100%	
Total Carrying Amount	\$ 846,748	\$ 56,564	\$ 104,942	\$ 91,341	\$ 1,099,595
Loss Allowances (Lifetime Expected Credit Loss)	(4,499)	(3,063)	(83,825)	(91,341)	(182,728)
Amortized Costs	<u>\$ 842,249</u>	<u>\$ 53,501</u>	<u>\$ 21,117</u>	<u>\$ -</u>	<u>\$ 916,867</u>

Changes in loss allowances of accounts receivable are as follows:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Opening balance of cash	\$ 153,407	\$ 126,386
Allowance in the Current Period (Reversal)	(21,857)	49,785
Write-Off in the Current Period	(103,776)	-
Differences of Foreign Currency Translation	<u>7,534</u>	<u>6,557</u>
Closing Balance	<u>\$ 35,308</u>	<u>\$ 182,728</u>

11. Inventories

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Finished Goods	\$ 3,321,560	\$ 3,420,574	\$ 3,575,868
Work in Progress	856,533	1,143,094	1,776,706
Raw Materials	211,184	216,138	243,085
Supplies	<u>216,425</u>	<u>209,879</u>	<u>223,256</u>
	<u>\$ 4,605,702</u>	<u>\$ 4,989,685</u>	<u>\$ 5,818,915</u>

The cost of sales related to inventories for the periods from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023, was NT\$1,905,016 thousand, NT\$2,126,425 thousand, NT\$5,182,545 thousand, and NT\$5,068,278 thousand, respectively. From January 1 to September 30, 2024 and 2023, the cost of sales includes inventory valuation loss and obsolescence loss of NT\$29,638 and NT\$49,597 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 (%)		
			September 30, 2024	December 31, 2023	September 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 Investment (Holding) Limited	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100	100
	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 Develop Investment Co., Ltd.	Everest International (HK) Limited	Investment and Holdings	100	100	100
Everest International (HK) Limited	Everest Apparel (HK) Ltd.	Investment and Holdings	100	100	100
	Everest USA Holdings, Inc.	Investment and Holdings	100	100	100

Name of Inventor Company	Name of the Subsidiary	Nature of Business	Percentage of Shares Held (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
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	45	39,487	133,241	3,815	31,475	58,871	49,748	316,682
Disposals	-	(13,106)	(148,887)	(7,122)	(10,081)	(13,203)	-	(192,399)
Net Exchange Difference	5,582	56,317	197,783	2,920	17,424	79,562	15,482	375,070
Balance as of September 30, 2024	<u>\$ 713,666</u>	<u>\$ 2,322,368</u>	<u>\$ 6,023,061</u>	<u>\$ 75,283</u>	<u>\$ 473,526</u>	<u>\$ 1,596,442</u>	<u>\$ 186,936</u>	<u>\$ 11,391,282</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	-	65,058	278,646	7,144	30,990	124,842	-	506,680
Disposals	-	(13,106)	(148,878)	(7,122)	(10,064)	(13,203)	-	(192,373)
Net Exchange Difference	-	39,642	136,939	2,120	14,816	56,185	-	249,702
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 1,344,345</u>	<u>\$ 3,640,259</u>	<u>\$ 59,204</u>	<u>\$ 326,519</u>	<u>\$ 1,034,855</u>	<u>\$ -</u>	<u>\$ 6,405,182</u>
Net as 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 balance as of September 30, 2024	<u>\$ 713,666</u>	<u>\$ 978,023</u>	<u>\$ 2,382,802</u>	<u>\$ 16,079</u>	<u>\$ 147,007</u>	<u>\$ 561,587</u>	<u>\$ 186,936</u>	<u>\$ 4,986,100</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	-	47,819	185,850	4,803	16,171	59,210	13,484	327,337
Disposals	-	(18,872)	(391,283)	(17,444)	(26,193)	(166,364)	-	(620,156)
Net Exchange Difference	1,359	10,647	100,573	1,764	2,488	37,145	(1,413)	152,563
Balance as of September 30, 2023	<u>\$ 708,938</u>	<u>\$ 2,240,813</u>	<u>\$ 5,905,241</u>	<u>\$ 77,979</u>	<u>\$ 435,525</u>	<u>\$ 1,483,352</u>	<u>\$ 113,066</u>	<u>\$ 10,964,914</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	-	66,249	290,119	9,653	33,825	126,844	-	526,690
Disposals	-	(13,903)	(231,286)	(14,929)	(18,410)	(90,884)	-	(369,412)
Reversal of Impairment Loss	-	-	(6,966)	-	-	-	-	(6,966)
Net Exchange Difference	-	(1,956)	41,603	1,346	1,395	11,424	-	53,812
Balance as of September 30, 2023	<u>\$ -</u>	<u>\$ 1,226,298</u>	<u>\$ 3,356,299</u>	<u>\$ 57,004</u>	<u>\$ 283,365</u>	<u>\$ 839,495</u>	<u>\$ -</u>	<u>\$ 5,762,461</u>
Net balance as of September 30, 2023	<u>\$ 708,938</u>	<u>\$ 1,014,515</u>	<u>\$ 2,548,942</u>	<u>\$ 20,975</u>	<u>\$ 152,160</u>	<u>\$ 643,857</u>	<u>\$ 113,066</u>	<u>\$ 5,202,453</u>

From January 1 to September 30, 2024, the Group unrecognized or reversed an impairment loss. From January 1 to September 30, 2023, the Group recognized a reversal gain of NT\$6,966 thousand, which was included in cost of sales in the consolidated statements of comprehensive income.

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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Carrying Amount of Right-of-use Assets			
Buildings	\$ 369,080	\$ 360,835	\$ 430,582
Transportation Equipment	<u>2,943</u>	<u>2,558</u>	<u>2,947</u>
	<u>\$ 372,023</u>	<u>\$ 363,393</u>	<u>\$ 433,529</u>
	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>
Addition of Right-of-Use Assets			<u>\$ 71,376</u>
			<u>\$ 4,621</u>
Depreciation Expense of Right-of-use Assets			
Buildings	\$ 22,144	\$ 26,575	\$ 73,073
Transportation Equipment	<u>499</u>	<u>389</u>	<u>1,493</u>
	<u>\$ 22,643</u>	<u>\$ 26,964</u>	<u>\$ 74,566</u>
			<u>\$ 80,060</u>

(2) Lease Liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Carrying Amount of Lease Liabilities			
Current	<u>\$ 89,681</u>	<u>\$ 76,920</u>	<u>\$ 89,432</u>
Non-current	<u>\$ 336,354</u>	<u>\$ 339,602</u>	<u>\$ 397,069</u>

The discount rate ranges for lease liabilities are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Buildings	1.12%-4.12%	1.05%-4.12%	1.02%-4.12%
Transportation Equipment	1.15%-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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Short-Term Lease Expenses	<u>\$ 130</u>	<u>\$ 14,524</u>	<u>\$ 7,313</u>	<u>\$ 30,885</u>
Total Cash Outflows on Lease	<u>\$ 25,174</u>	<u>\$ 43,484</u>	<u>\$ 87,956</u>	<u>\$ 120,098</u>

15. Other Assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Prepayments for Goods	\$ 29,103	\$ 36,846	\$ 39,109
Prepaid Expenses	78,646	58,916	28,889
Prepaid Sales Tax	15,712	20,596	22,026
Refundable Deposits	606	734	792
Others	<u>12,064</u>	<u>3,568</u>	<u>28,025</u>
	<u>\$ 136,131</u>	<u>\$ 120,660</u>	<u>\$ 118,841</u>
<u>Non-current</u>			
Prepayments for Business Facilities	\$ 270,526	\$ 132,294	\$ 113,344
Refundable Deposits	12,309	16,834	17,973
Others	<u>509</u>	<u>100</u>	<u>100</u>
	<u>\$ 283,344</u>	<u>\$ 149,228</u>	<u>\$ 131,417</u>

16. Borrowings

(1) Short-Term Borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bank Credit Borrowings	\$ 1,790,000	\$ 1,075,000	\$ 1,020,000
Bank Secured Borrowings	269,172	776,572	1,630,660
Bank Mortgage Borrowings	<u>600,000</u>	<u>730,000</u>	<u>52,858</u>
	<u>\$ 2,659,172</u>	<u>\$ 2,581,572</u>	<u>\$ 2,703,518</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bank Credit Borrowings	1.90%-1.96%	1.80%-1.91%	1.80%-1.83%
Bank Secured Borrowings	2.02%-7.64%	2.37%-7.63%	2.37%-7.63%
Bank Mortgage Borrowings	1.94%	1.82%	3.87%

(2) Short-Term Notes and Bills Payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Commercial Paper Payable	\$ 1,250,000	\$ 1,350,000	\$ 1,500,000
Less: Short-term notes and bills payable	(_____ 298)	(_____ 663)	(_____ 854)
	<u>\$ 1,249,702</u>	<u>\$ 1,349,337</u>	<u>\$ 1,499,146</u>

The interest rates of short-term notes and bills payable were 1.55%~1.77%, 1.41%~1.59%, and 1.38%~ 1.66%, for the periods from September 30, 2024 and 2023, and December 31, 2023, respectively.

(3) Long-Term Borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Unsecured Borrowings</u>			
Bank Credit Borrowings	\$ 537,500	\$ 780,000	\$ 1,002,500
<u>Secured Borrowings</u>			
Bank Mortgage Borrowings	_____ -	_____ 38,615	_____ 39,323
	537,500	818,615	1,041,823
Less: Those that mature within one year	_____ 400,000	_____ 380,000	_____ 490,000
	<u>\$ 137,500</u>	<u>\$ 438,615</u>	<u>\$ 551,823</u>

The maturity dates for the aforementioned bank loans gradually expire before September 2029. The annual interest rates as of September 30, 2024 and 2023, and December 31, 2023, are 2.12%~2.22%, 1.78%~4.20%, and 1.78%~4.20%, respectively.

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

The Group's notes payable and accounts payable 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other Payables			
Payable for Salaries or Bonuses	\$ 164,587	\$ 180,311	\$ 140,862
Payable for Utilities	32,788	24,128	35,087
Payable for Pension	31,589	31,350	29,939
Payable for Annual Leave	29,332	26,907	29,507
Others	<u>241,790</u>	<u>215,066</u>	<u>213,621</u>
	<u>\$ 500,086</u>	<u>\$ 477,762</u>	<u>\$ 449,016</u>
Other Liabilities			
Receipts Under Custody	\$ 1,826	\$ 13,876	\$ 20,700
Deferred Revenue	7,500	7,500	-
Guarantee Deposits Received	1,818	3,355	2,545
Others	<u>4,076</u>	<u>4,668</u>	<u>2,510</u>
	<u>\$ 15,220</u>	<u>\$ 29,399</u>	<u>\$ 25,755</u>

19. Post-Employment Benefit Plans

The post-employment benefit expenses recognized for the defined benefit plans from July 1 to September 30, 2024 and 2023, and January 1, to September 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\$6,656 thousand, NT\$7,991 thousand, NT\$22,666 thousand, and NT\$24,136 thousand, respectively.

20. Equity

(1) Capital - Ordinary Shares

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 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 Shares (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 resolved to approve the earnings distribution for 2022 and 2021, respectively.

	Earnings Distribution Plan
	2022
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		
				Shares	Carrying Amount	Market Price
January 1 to September 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>\$ 147,296</u>
January 1 to September 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>\$ 154,358</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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Revenue From the Sales of Goods	<u>\$ 2,121,080</u>	<u>\$ 2,021,904</u>	<u>\$ 5,804,557</u>	<u>\$ 5,555,328</u>

(1) Contract Balance

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Notes Receivable	<u>\$ 10,740</u>	<u>\$ 12,112</u>	<u>\$ 13,324</u>	<u>\$ 54,553</u>
Accounts Receivable	<u>\$641,329</u>	<u>\$762,402</u>	<u>\$916,867</u>	<u>\$ 1,149,237</u>
Contract Liabilities				
– Current				
Sales of Goods	<u>\$ 27,080</u>	<u>\$ 29,015</u>	<u>\$ 31,887</u>	<u>\$ 56,820</u>

(2) Disaggregation of Revenue from Contracts with Customers

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Finished Fabric	\$ 1,936,846	\$ 1,764,274	\$ 5,308,355	\$ 4,581,914
Draw Textured Yarn	116,789	108,906	319,715	356,434
Others	<u>67,445</u>	<u>148,724</u>	<u>176,487</u>	<u>616,980</u>
	<u>\$ 2,121,080</u>	<u>\$ 2,021,904</u>	<u>\$ 5,804,557</u>	<u>\$ 5,555,328</u>

22. Net Loss Before Tax

(1) Net Amount of Other Operating Income and Expenses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Gains on Disposal of Property, Plant and Equipment	\$ <u>591</u>	\$ <u>4,882</u>	\$ <u>581</u>	\$ <u>5,273</u>

(2) Interest Income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Bank Deposits	\$ 3,511	\$ 1,299	\$ 11,912	\$ 4,654
Others	<u>46</u>	<u>-</u>	<u>52</u>	<u>1</u>
	<u>\$ 3,557</u>	<u>\$ 1,299</u>	<u>\$ 11,964</u>	<u>\$ 4,655</u>

(3) Other Revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Dividend Revenue	\$ 421	\$ -	\$ 422	\$ 791
Grants	10,803	-	14,736	3,136
Accommodation Revenue	-	1,747	9,725	11,136
Others	<u>16,286</u>	<u>11,272</u>	<u>54,722</u>	<u>40,158</u>
	<u>\$ 27,510</u>	<u>\$ 13,019</u>	<u>\$ 79,605</u>	<u>\$ 55,221</u>

(4) Other Gains and Losses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net Gains (Losses) on Foreign Currency Exchange	(\$ 81,906)	\$ 32,614	(\$ 2,892)	\$ 59,056
Financial assets and liabilities (losses) measured at fair value through profit or loss	9,246	(1,527)	(7,408)	(20,245)
Others	(<u>117</u>)	<u>781</u>	<u>1,729</u>	(<u>396</u>)
	(<u>\$ 72,777</u>)	<u>\$ 31,868</u>	(<u>\$ 8,571</u>)	<u>\$ 38,415</u>

Net foreign currency exchange profit or loss in the table above include:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Total amount of gains on foreign currency exchange	\$ 27,450	\$ 176,835	\$ 232,151	\$ 447,215
Total amount of losses on foreign currency exchange	(<u>109,356</u>)	(<u>144,221</u>)	(<u>235,043</u>)	(<u>388,159</u>)
	(<u>\$ 81,906</u>)	<u>\$ 32,614</u>	(<u>\$ 2,892</u>)	<u>\$ 59,056</u>

(5) Interest Expenses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interests on Bank Borrowings	\$ 23,855	\$ 45,007	\$ 92,959	\$ 146,280
Interest on Lease Liabilities	1,703	1,843	5,241	5,845
Less: Amounts included in the cost of required assets	<u>979</u>	<u>292</u>	<u>2,398</u>	<u>1,029</u>
	<u>\$ 24,579</u>	<u>\$ 46,558</u>	<u>\$ 95,802</u>	<u>\$ 151,096</u>

Information related to interest capitalization is as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Amount of interest capitalization	\$ 979	\$ 292	\$ 2,398	\$ 1,029
Interest rate on interest capitalization	2.00%	1.94%	1.91%-2.00%	1.86%-1.94%

(6) Depreciation Expenses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
An analysis of depreciation by function				
Operating Costs	\$ 172,833	\$ 179,219	\$ 514,818	\$ 544,370
Operating Expenses	<u>21,336</u>	<u>19,131</u>	<u>66,428</u>	<u>62,380</u>
	<u>\$ 194,169</u>	<u>\$ 198,350</u>	<u>\$ 581,246</u>	<u>\$ 606,750</u>

(7) Employee Benefit Expenses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Short-Term Employee Benefits	\$ 444,569	\$ 448,679	\$ 1,280,867	\$ 1,325,319
Retirement Benefits				
Defined Contribution Plans	18,133	18,703	55,117	63,164
Defined Benefit Plans (Note 19)	<u>6,656</u>	<u>7,991</u>	<u>22,666</u>	<u>24,136</u>
	<u>24,789</u>	<u>26,694</u>	<u>77,783</u>	<u>87,300</u>
	<u>\$ 469,358</u>	<u>\$ 475,373</u>	<u>\$ 1,358,650</u>	<u>\$ 1,412,619</u>
Summary by Function				
Operating Costs	\$ 322,681	\$ 370,304	\$ 928,919	\$ 1,033,003
Operating Expenses	<u>146,677</u>	<u>105,069</u>	<u>429,731</u>	<u>379,616</u>
	<u>\$ 469,358</u>	<u>\$ 475,373</u>	<u>\$ 1,358,650</u>	<u>\$ 1,412,619</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 for the year according to its Articles. As the Company incurred a pre-tax losses for the periods from January 1 to September 30, 2024 and 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 of 2023, no employees' compensation and directors' remuneration were accrued. The employees' compensation and directors' remuneration for the fiscal year of 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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Current Income Tax				
Incurred During Current Period	\$ 63,924	\$ 16,442	\$ 106,512	\$ 35,000
Adjustments for Prior Years	(40)	-	(34,167)	-
Deferred Income Tax				
Incurred During Current Period	(<u>32,932</u>)	(<u>1,473</u>)	(<u>32,932</u>)	(<u>1,200</u>)
	<u>\$ 30,952</u>	<u>\$ 14,969</u>	<u>\$ 39,413</u>	<u>\$ 33,800</u>

(2) Income Tax Assessments

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

24. (Net Loss) per Share

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

Net Loss

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net loss attributable to owners of the Company	(\$ <u>156,392</u>)	(\$ <u>446,097</u>)	(\$ <u>273,109</u>)	(\$ <u>564,085</u>)

Shares

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
				Unit: Thousand Shares
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 September 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 – 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

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value through Other Comprehensive 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 Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 2,380</u>	<u>\$ -</u>	<u>\$ 2,380</u>
– Forward Foreign Exchange Contract				
<u>Financial Liabilities Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 30</u>
– Forward Foreign Exchange Contract				

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value through Other Comprehensive 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 Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 4,612</u>	<u>\$ -</u>	<u>\$ 4,612</u>
– Forward Foreign Exchange Contract				
<u>Financial Liabilities Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 71</u>
– Forward Foreign Exchange Contract				

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured 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 Assets Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 2,002</u>	<u>\$ -</u>	<u>\$ 2,002</u>
– Forward Foreign Exchange Contract				
<u>Financial Liabilities Measured at Fair Value Through Profit or Loss</u>				
Derivative Instruments	<u>\$ -</u>	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ 219</u>
– Forward Foreign Exchange Contract				

There was no transfer between Level 1 and Level 2 fair value measurements for the period from January 1 to September 30, 2024 and 2023, respectively.

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 Foreign Exchange Contract	The fair value of forward foreign 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial Assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,520,615	\$ 1,534,856	\$ 1,715,988
Financial assets measured at fair value through profit or loss – Designated at fair value through profit or loss	2,380	4,612	2,002
Financial assets measured 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)	5,576,725	5,773,917	6,251,719
Financial assets measured at fair value through profit or loss – Designated at fair value through profit or loss	30	71	219

Note 1: The balances include cash and cash equivalents, notes and accounts receivable, other receivables, financial assets at amortized cost – 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 accounts payable (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, accounts receivable, accounts payable, 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 functional 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	
	January 1 to September 30, 2024	January 1 to September 30, 2023
Profit or Loss	\$ 25,653	\$ 19,172

	ETB Impact	
	January 1 to September 30, 2024	January 1 to September 30, 2023
Profit or Loss	\$ 178	\$ 1,194

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, accounts receivable 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Fair Value Interest Rate Risk			
Financial Assets	\$ 149,842	\$ 301,512	\$ 216,022
Financial Liabilities	3,861,804	4,017,431	4,263,663
With Cash Flow Interest Rate Risk			
Financial Assets	609,444	372,537	202,618
Financial Liabilities	1,010,605	1,148,615	1,467,325

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 periods from January 1 to September 30, 2024 and 2023, would increase to \$3,009 thousand and \$9,485 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

(3) Other Price Risk

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 the period from January 1 to September 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 measured 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 accounts receivable 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 accounts receivable.

3. Liquidity Risk

The Group manages and maintains sufficient cash to support 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.

September 30, 2024

	Payment on Demand or Less Than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	5 Years and Above
<u>Non-derivative Financial Liabilities</u>					
Non-interest-Bearing Liabilities	\$ 445,416	\$ 498,388	\$ 185,727	\$ 820	\$ -
Lease Liabilities	8,188	15,894	71,192	243,613	103,401
Floating Rate Instruments	110,202	256,309	514,491	146,591	-
Fixed Rate Instruments	<u>3,231,294</u>	<u>180,443</u>	<u>30,141</u>	-	-
	<u>\$3,795,100</u>	<u>\$ 951,034</u>	<u>\$ 801,551</u>	<u>\$ 391,024</u>	<u>\$ 103,401</u>

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

	Less Than 1 Year	1 to 5 Years	5 to 10 Years
Lease Liabilities	<u>\$ 95,274</u>	<u>\$ 243,613</u>	<u>\$ 103,401</u>

December 31, 2023

	Payment on Demand or Less Than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	5 Years and Above
<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:

	Less Than 1 Year	1 to 5 Years	5 to 10 Years
Lease Liabilities	<u>\$ 82,549</u>	<u>\$ 222,622</u>	<u>\$ 127,671</u>

September 30, 2023

	Payment on Demand or Less Than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	5 Years and Above
<u>Non-derivative Financial Liabilities</u>					
Non-interest-Bearing Liabilities	\$ 491,149	\$ 383,485	\$ 131,828	\$ 770	\$ -
Lease Liabilities	8,077	17,288	70,615	266,005	143,763
Floating Rate Instruments	192,839	303,439	425,887	586,664	-
Fixed Rate Instruments	<u>3,178,635</u>	<u>612,702</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$3,870,700</u>	<u>\$1,316,914</u>	<u>\$ 628,330</u>	<u>\$ 853,439</u>	<u>\$ 143,763</u>

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

	Less Than 1 Year	1 to 5 Years	5 to 10 Years
Lease Liabilities	<u>\$ 95,980</u>	<u>\$ 266,005</u>	<u>\$ 143,763</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.

September 30, 2024

	Payment on Demand or Less Than 1 Month	1 to 3 Months
<u>Total Amount of Delivery</u>		
Forward Foreign Exchange Contracts		
— Inflow	\$ 2,377	\$ 3
— Outflow	(8)	(22)
	<u>\$ 2,369</u>	<u>(\$ 19)</u>

December 31, 2023

	Payment on Demand or Less Than 1 Month	1 to 3 Months
<u>Total Amount of Delivery</u>		
Forward Foreign Exchange Contracts		
— Inflow	\$ 4,612	\$ -
— Outflow	(71)	-
	<u>\$ 4,541</u>	<u>\$ -</u>

September 30, 2023

	Payment on Demand or Less Than 1 Month	1 to 3 Months
<u>Total Amount of Delivery</u>		
Forward Foreign Exchange Contracts		
— Inflow	\$ 2,002	\$ -
— Outflow	(219)	-
	<u>\$ 1,783</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 of Related Parties and Relationships with the Company

<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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Investors with significant influence over the Company	\$ 14	\$ -	\$ 25	\$ 6
Other related parties	<u>5,183</u>	<u>253</u>	<u>18,328</u>	<u>1,334</u>
	<u>\$ 5,197</u>	<u>\$ 253</u>	<u>\$ 18,353</u>	<u>\$ 1,340</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

Category of Related Party	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Investors with significant influence over the Company	\$ 53,547	\$ 47,930	\$ 184,145	\$ 143,359
Other related parties	<u>139,021</u>	<u>90,316</u>	<u>302,163</u>	<u>244,597</u>
	<u>\$ 192,568</u>	<u>\$ 138,246</u>	<u>\$ 486,308</u>	<u>\$ 387,956</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) Receivables from Related Parties

Line Items	Category/Name of Related Parties	September 30, 2024	December 31, 2023	September 30, 2023
Notes Receivable	Other related parties	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ 132</u>
Accounts Receivable	Investors with significant influence over the Company	\$ -	\$ 13	\$ -
	Other related parties	<u>841</u>	<u>-</u>	<u>-</u>
		<u>\$ 841</u>	<u>\$ 13</u>	<u>\$ -</u>
Other Receivables	Investors with significant influence over the Company	\$ 50	\$ 44	\$ 13
	Other related parties			
	Far Eastern Apparel (Vietnam) Ltd.	-	-	262,082
	Others	<u>-</u>	<u>25</u>	<u>24</u>
		<u>\$ 50</u>	<u>\$ 69</u>	<u>\$ 262,119</u>

The outstanding receivables to related parties are not guaranteed. No allowance for doubtful accounts was provided for receivables from related parties as of September 30, 2024 and 2023, and December 31, 2023, respectively.

Other receivables due from related parties, mainly related to Far Eastern Apparel (Vietnam) Ltd., are from the sale of fixed assets.

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

<u>Line Items</u>	<u>Category/Name of Related Parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes Payable – Related Parties	Investors with significant influence over the Company			
	Far Eastern New Century Corporation (FENC)	<u>\$ 5,813</u>	<u>\$ 42,260</u>	<u>\$ 21,776</u>
Accounts Payable – Related Parties	Investors with significant influence over the Company	\$ 5,598	\$ 17,676	\$ 10,308
	Other related parties	<u>66,845</u>	<u>23,945</u>	<u>25,581</u>
		<u>\$ 72,443</u>	<u>\$ 41,621</u>	<u>\$ 35,889</u>
Other Payables – Related Parties	Investors with significant influence over the Company	\$ -	\$ 1,332	\$ -
	Other related parties			
	Everest Shanghai	25,896	34,834	32,439
	thers	<u>234</u>	<u>-</u>	<u>-</u>
		<u>\$ 26,130</u>	<u>\$ 36,166</u>	<u>\$ 32,439</u>

The outstanding payables to related parties are not guaranteed.

(6) Disposal of Property, Plant and Equipment

<u>Category/Name of Related Parties</u>	<u>Disposal Proceeds</u>		<u>Gain on Disposal</u>	
	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2023</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2023</u>
Other related parties				
Far Eastern Apparel (Vietnam) Ltd.	<u>\$ 262,082</u>	<u>\$ 262,082</u>	<u>\$ 3,528</u>	<u>\$ 3,528</u>

(7) Lease Agreements

<u>Category/Name of Related Parties</u>		<u>January 1 to September 30, 2024</u>		
<u>Acquire Right-of-Use Assets</u>				
Investors with significant influence over the Company				
	Yuan Ding Investment Co., Ltd.		\$	<u>24,344</u>
<u>Line Items</u>	<u>Category/Name of Related Parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Lease Liabilities	Investors with significant influence over the Company			
	Yuan Ding Investment Co., Ltd.	\$ 22,618	\$ -	\$ -
	Other related parties			
	Far Eastern Investment (Holding) Limited	48,602	65,164	74,292
		<u>\$ 71,220</u>	<u>\$ 65,164</u>	<u>\$ 74,292</u>
<u>Category of related party</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Interest Expenses</u>				
Investors with significant influence over the Company	\$ 110	\$ -	\$ 151	\$ -
Other Related Parties	<u>516</u>	<u>746</u>	<u>1,719</u>	<u>2,439</u>
	<u>\$ 626</u>	<u>\$ 746</u>	<u>\$ 1,870</u>	<u>\$ 2,439</u>

(8) Borrowings from Related Parties

<u>Category/Name of Related Parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Other Related Parties</u> <u>(Included in Short-Term Borrowings)</u>			
FEIB	<u>\$ 600,000</u>	<u>\$ 730,000</u>	<u>\$ -</u>

Interest Expenses

<u>Category/Name of Related Parties</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Other Related Parties</u>				
FEIB	<u>\$ 2,853</u>	<u>\$ 818</u>	<u>\$ 10,974</u>	<u>\$ 5,651</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 September 30, 2024 and 2023, and December 31, 2023, was NT\$954,354 thousand, NT\$1,036,638 thousand, and NT\$1,066,504 thousand, respectively.

(9) 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 July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023, were NT\$5,092 thousand, NT\$4,351 thousand, NT\$19,223 thousand, and NT\$13,872 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

Category/Name of Related Parties	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Other Related Parties				
Everest Shanghai	<u>\$ 51,441</u>	<u>\$ 51,545</u>	<u>\$ 140,842</u>	<u>\$ 135,935</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\$541 thousand and NT\$640 thousand for both the periods from July 1 to September 30, 2024, and from January 1 to September 30, 2024.

(10) Compensation of Key Management Personnel

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-Term Employee Benefits	\$ 7,142	\$ 6,615	\$ 25,013	\$ 20,061
Retirement Benefits	<u>380</u>	<u>547</u>	<u>1,140</u>	<u>1,641</u>
	<u>\$ 7,522</u>	<u>\$ 7,162</u>	<u>\$ 26,153</u>	<u>\$ 21,702</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 financing limits and post-release duty payment:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Land	\$ 516,428	\$ 512,654	\$ 511,685
Buildings	229,642	237,728	241,696
Machinery and Equipment	468,023	542,009	568,111
Financial assets measured 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>\$ 1,214,193</u>	<u>\$ 1,292,491</u>	<u>\$ 1,321,592</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 September 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 amounts of the guarantee provided by Mega Bank were all NT\$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\$7,473 thousand, NT\$6,829 thousand, and NT\$6,681 thousand (all translated into THB7,573 thousand on September 30, 2024 and 2023, and December 31, 2023) as of September 30, 2024 and 2023, and December 31, 2023, respectively.
- (3) As of September 30, 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\$34,350 thousand, NT\$31,688 thousand, and NT\$33,919 thousand, respectively.
- (4) The Group’s contractual commitments that were contracted for but not realized are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Purchase of Property, Plant and Equipment	<u>\$ 92,103</u>	<u>\$ 172,060</u>	<u>\$ 134,089</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 August 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,” and on October 21, 2024, announced the carbon fee collection rates, which will take effect on January 1, 2025. Based on the emission assessment for the year 2023, the Group will become subject to carbon fee collection. The provision for liabilities will be recognized in 2025 according to the actual emissions, and the carbon fee will be paid in May 2026.

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

September 30, 2024

<u>Financial Assets</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 49,497	31.65 (USD to NTD)	\$ 1,566,583
USD	18,926	32.073 (USD to THB)	599,022
USD	24,232	7.007 (USD to RMB)	766,956
ETB	79,277	0.0085 (ETB to USD)	21,261
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	8,003	31.65 (USD to NTD)	253,301
USD	3,473	32.073 (USD to THB)	109,928
USD	128	7.007 (USD to RMB)	4,056
ETB	13,039	0.0085 (ETB to USD)	3,497

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

September 30, 2023

<u>Financial Assets</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 34,097	32.27 (USD to NTD)	\$ 1,100,312
USD	14,549	36.579 (USD to THB)	469,487
USD	19,776	7.309 (USD to RMB)	638,164
THB	53,183	0.8822 (THB to NTD)	46,918
ETB	223,683	0.0179 (ETB to USD)	129,418
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	\$ 4,785	32.27 (USD to NTD)	\$ 154,405
USD	3,208	36.579 (USD to THB)	103,510
USD	1,018	7.309 (USD to RMB)	32,837
ETB	17,376	0.0179 (ETB to USD)	10,048

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:

Functional Currency	July 1 to September 30, 2024		July 1 to September 30, 2023	
	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains
USD	32.301 (USD to NTD)	(\$ 16,489)	31.684 (USD to NTD)	(\$ 562)
NTD	1 (NTD to NTD)	(38,889)	1 (NTD to NTD)	33,227
RMB	4.5398 (RMB to NTD)	(12,414)	4.4171 (RMB to NTD)	(3,294)
THB	0.9342 (THB to NTD)	(14,120)	0.9065 (THB to NTD)	3,237
HKD	4.141 (HKD to NTD)	<u>6</u>	4.050 (HKD to NTD)	<u>6</u>
		(<u>\$ 81,906</u>)		<u>\$ 32,614</u>

Functional Currency	January 1 to September 30, 2024		January 1 to September 30, 2023	
	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains
USD	32.035 (USD to NTD)	(\$ 20,579)	30.928 (USD to NTD)	(\$ 4,576)
NTD	1 (NTD to NTD)	24,749	1 (NTD to NTD)	38,892
RMB	4.5065 (RMB to NTD)	(7,104)	4.4134 (RMB to NTD)	18,894
THB	0.9026 (THB to NTD)	21	0.9012 (THB to NTD)	5,820
HKD	4.1 (HKD to NTD)	<u>21</u>	3.948 (HKD to NTD)	<u>26</u>
		(<u>\$ 2,892</u>)		<u>\$ 59,056</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 period (excluding investee 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 derivative trading. (Table 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. (Table 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 are as follows:

Textile Segment – Textile Production
Investment Segment – General Investment

(1) Segment 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 September 30, 2024</u>			
Department revenue – from external customers	\$ <u>5,804,557</u>	\$ <u>-</u>	\$ <u>5,804,557</u>
Segment Loss	(\$ <u>220,212</u>)	(\$ <u>679</u>)	(\$ <u>220,891</u>)
Interest Income			11,964
Net Loss on Foreign Currency Exchange			(2,892)
Interest Expenses			(95,802)
Net Amount of Other Non-operating Revenue			<u>73,926</u>
Net Loss Before Tax			(\$ <u>233,695</u>)
<u>January 1 to September 30, 2023</u>			
Department revenue – from external customers	\$ <u>5,555,328</u>	\$ <u>-</u>	\$ <u>5,555,328</u>
Segment Loss	(\$ <u>476,951</u>)	(\$ <u>530</u>)	(\$ <u>477,481</u>)
Interest Income			4,655
Net Gains on Foreign Currency Exchange			59,056
Interest Expenses			(151,096)
Net Amount of Other Non-operating Revenue			<u>34,580</u>
Net Loss Before Tax			(\$ <u>530,286</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 September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Textile Segment	\$ 12,056,530	\$ 12,332,464	\$ 13,543,472
Investment Segment	<u>26,094</u>	<u>13,809</u>	<u>7,576</u>
Consolidated Total Assets	<u>\$ 12,082,624</u>	<u>\$ 12,346,273</u>	<u>\$ 13,551,048</u>

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

CAPITAL LOANS TO OTHERS

January 1 to September 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		Limit for the Individual Borrower	Total Limit on Loans	
													Name	Value			
0	The Company	Everest International (HK) Limited	Other Receivables – Related Parties	Yes	\$ 474,750	\$ 474,750	\$ 411,450	2-2.06	2.	\$ -	Working Capital	\$ -	None	\$ -	\$ 1,165,012 (Note 1)	\$ 2,330,024 (Note 2)	
		Everest Apparel (Haiti) S.A.	Other Receivables – Related Parties	Yes	365,874	-	-	1.95-2.01	2.	-	Working Capital	-	None	-	1,165,012 (Note 1)		
		Everest Apparel (Haiti) S.A.	Other Receivables – Related Parties	Yes	541,215	541,215	541,215	1.95-2.06	2.	-	Working Capital	-	None	-	1,165,012 (Note 1)		
		Everest Apparel (Haiti) S.A.	Other Receivables – Related Parties	Yes	205,725	205,725	112,674	2.03-2.06	2.	-	Working Capital	-	None	-	1,165,012 (Note 1)		
		Everest Textile USA, LLC.	Other Receivables – Related Parties	Yes	474,750	474,750	-	-	-	2.	-	Working Capital	-	None	-		1,165,012 (Note 1)
							<u>\$ 2,062,314</u>	<u>\$ 1,696,440</u>	<u>\$ 1,065,339</u>								
1	Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Other Receivables – Related Parties	Yes	\$ 522,517	\$ 522,517	\$ 522,517	5.91-6.44	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)	2,761,790 (Note 2)	
		Everest Apparel (Ethiopia) S.C.	Other Receivables – Related Parties	Yes	23,832	23,832	23,832	5.91-6.44	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)		
		Everest Apparel (Haiti) S.A.	Other Receivables – Related Parties	Yes	68,997	-	-	-	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)		
		Everest Apparel (Haiti) S.A.	Other Receivables – Related Parties	Yes	45,893	-	-	-	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)		
		Everest Apparel (Ethiopia) S.C.	Other Receivables – Related Parties	Yes	56,356	56,356	56,356	5.91-6.44	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)		
		Everest Apparel (Ethiopia) S.C.	Other Receivables – Related Parties	Yes	29,118	29,118	16,990	5.91-6.44	2.	-	Working Capital	-	None	-	1,657,074 (Note 1)		
					<u>\$ 746,713</u>	<u>\$ 631,823</u>	<u>\$ 619,695</u>										
2	Everest International (Shanghai) Develop Investment Co., Ltd.	Everest International (HK) Limited	Other Receivables – Related Parties	Yes	\$ 411,450	\$ -	\$ -	5.31	2.	-	Working Capital	-	None	-	1,620,042 (Note 1)	2,430,063 (Note 2)	
		Everest Textile USA, LLC.	Other Receivables – Related Parties	Yes	126,600	-	-	-	2.	-	Working Capital	-	None	-	1,620,042 (Note 1)		
		Everest Textile USA, LLC.	Other Receivables – Related Parties	Yes	538,050	538,050	538,050	5.26-5.45	2.	-	Working Capital	-	None	-	1,620,042 (Note 1)		
					<u>\$ 1,076,100</u>	<u>\$ 538,050</u>	<u>\$ 538,050</u>										
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other Receivables – Related Parties	Yes	\$ 134,513	\$ -	\$ -	7.55-7.59	2.	-	Working Capital	-	None	-	695,199 (Note 1)	1,042,799 (Note 2)	
		Everest Development USA, LLC.	Other Receivables – Related Parties	Yes	148,755	148,755	148,755	7.50-7.73	2.	-	Working Capital	-	None	-	695,199 (Note 1)		
					<u>\$ 283,268</u>	<u>\$ 148,755</u>	<u>\$ 148,755</u>										
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Other Receivables – Related Parties	Yes	<u>\$ 158,250</u>	<u>\$ 158,250</u>	<u>\$ 158,250</u>	4.48-5.01	2.	-	Working Capital	-	None	-	899,412 (Note 1)	1,349,118 (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: Write-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 September 30, 2024

Table 2

Unit: NTS 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	\$ 4,368,794	\$ 63,300	\$ 63,300	\$ -	\$ -	1.09		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	"	4,368,794	316,500	316,500	-	-	5.43		Y	N	N
		Everest International Development Co., Ltd.	"	4,368,794	1,196,567	1,181,330	341,000	-	20.28		Y	N	N
		Everest Textile USA, LLC.	"	4,368,794	2,120,550	2,025,600	23,105	-	34.77		Y	N	N
		Everest International (HK) Limited	"	4,368,794	<u>1,455,900</u>	<u>1,440,075</u>	<u>30,068</u>	-	<u>24.72</u>		Y	N	N
					<u>\$ 5,152,817</u>	<u>\$ 5,026,805</u>	<u>\$ 394,173</u>		<u>86.29</u>	<u>\$ 8,737,587</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

September 30, 2024

Table 3

Unit: NTS 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 Measured 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>15</u>	
					<u>\$ 5,494</u>		<u>\$ 5,494</u>	
Everest International Develop Investment Co., Ltd.	Everest Textile – shares of a listed company	Parent company	Financial Assets Measured at Fair Value Through Other Comprehensive Income – Non-current	20,177,533	<u>\$ 147,296</u>	2.9	<u>\$ 147,296</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 September 30, 2024

Table 4

Unit: NTS Thousand

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Status				Circumstance and Reason for Transaction Conditions Differ from General Transactions		Notes and Accounts Receivables (Payables)		Remark
			Purchase (Sales) of Goods	Amount	Ratio to Total Purchase of Goods	Credit Period	Unit Price	Credit Period	Balance	Ratio to Total Receivables (Payables)	
The Company	Everest Textile (Thailand) Co., Ltd.	Subsidiary	Outsourced Processing	\$ 493,164	89	Settle every 1 months	No comparable goods under the same category	—	(\$ 104,202)	(24)	Note
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchases	184,145	15	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(11,411)	(3)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method	Purchases	114,457	9	Settle every 1 months	Equivalent	Equivalent	(19,915)	(5)	
	Jin Lead Industrial Co., Ltd.	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Purchases	100,951	8	Settle every 1 months	Equivalent	Equivalent	(16,077)	(4)	
Everest Textile (Shanghai) Ltd.	Everest Textile USA, LLC.	Subsidiary	Purchases	164,895	14	Settle every 1 months	Equivalent	Equivalent	(9,149)	(2)	Note
	Everest International (HK) Limited	Fellow subsidiary	Sales	(654,940)	(43)	Settle every 2 to 4 months	Equivalent	Equivalent	173,646	48	Note

Note: Write-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

September 30, 2024

Table 5

Unit: NTS Thousand

Company with Accounts Receivable	Counterparty	Relationship	Receivables from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Balance of Receivables From the Related Party	Allowance for Losses Provided
					Amount	Method of Disposal		
The Company	Everest Apparel (Haiti) S.A.	Subsidiary	\$ 153,446	-	\$ -	—	Note 2	\$ -
		Subsidiary	665,435	Note 1	-	—	Note 2	-
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Subsidiary	415,540	Note 1	-	—	\$ -	-
	Everest Textile USA, LLC.	Fellow subsidiary	545,997	Note 1	-	—	-	-
Everest International (HK) Limited	Everest International (HK) Limited	Fellow subsidiary	173,646	7.48	-	—	80,956	-
	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	704,226	Note 1	-	—	-	-
Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Subsidiary	163,939	Note 1	-	—	-	-
Everest Textile USA, LLC.	Everest Development USA, LLC.	Fellow subsidiary	152,555	Note 1	-	—	-	-
Everest Textile (Thailand) Co., Ltd.	The Company	Parent company	144,293	6.08	-	—	64,783	-

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

Note 2: The parent company's board approved a debt waiver on November 6, 2024.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
INFORMATION OF INVESTEES

January 1 to September 30, 2024

Table 6

Unit: NTS Thousand

Name of Inventor Company	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	Shares	Ratio	Carrying Amount			
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and International Trade	\$ 955,893	\$ 955,893	1,300	100	\$ 3,357,570	\$ 311,224	\$ 311,224	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General Investment	2,291,400	2,291,400	220,700,000	100	(357,226) (Note 1)	(345,803)	(345,803)	Note 3
	Everest Textile (HK) Ltd.	Hong Kong	International Trade	2,427	2,427	695,000	99.3	792	130	130	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	1,725,101	166,048		Note 3
Everest International Develop Investment Co., Ltd.	Everest International (HK) Limited	Hong Kong	Investment and Holdings	1,418,047	1,418,047	46,300,000	100	1,104,716	(76,159)		Note 3
	Everest Apparel (HK) Ltd.	Hong Kong	Investment and Holdings	974,505	974,505	31,580,000	100	(1,101,807)	(262,661)		Note 3
Everest International (HK) Limited	Everest USA Holdings, Inc.	The U.S.	Investment and Holdings	1,418,047	1,418,047	1,000	100	899,412	(113,675)		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating Asset Management	79,170	79,170	2,500,000	100	33,828	(9,519)		Note 3
	Everest Textile USA, LLC.	The U.S.	Production and Dyeing of Yarn and Woven Fabrics	1,181,263	1,181,263	38,800,000	100	695,199	(110,077)		Note 3
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel Production	557,696	557,696	542,415	100	(279,031)	(114,927)		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel Production	390,960	390,960	4,000	100	(829,101)	(141,911)		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: Write-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 September 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 Gain (Loss) Recognized for the Period (Note 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	\$ 949,500 (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)	\$ 143,073	100	\$ 143,689	\$ 1,620,042	\$ 323,500

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
\$ 949,500 (US\$30,000 thousand)	\$ 949,500 (US\$30,000 thousand)	\$ 3,495,035

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 ($\$5,825,058 \times 60\% = \$3,495,035$).

Note 2: The relevant amount is translated at a currency rate where USD\$1 equals NT\$31.65.

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\$616,000 arising from the side current transactions.

Note 5: The Company repatriated dividends amounting to USD 9,988 thousand through a 100% reinvested third region company, Everest Investment (Holding) Ltd., with the NT\$ equivalent calculated at an exchange rate of USD 1 to NT\$ 32.39.

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 September 30, 2024

Table 8

Unit: NTS Thousand

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Status				Circumstance and Reason for Transaction Amount Differ from General Transactions		Notes and Accounts Receivables (Payables)		Unrealized Gains (Losses)
			Purchase (Sales) of Goods	Amount	Ratio to Total Purchase of Goods	Credit Period	Unit Price	Credit Period	Balance	Proportion to Total Notes and Accounts Receivable (Payable)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(\$ 30,605)	(1)	Settle every 6 months	Equivalent	Equivalent	\$ 4,816	1	\$ 206
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(654,940)	(43)	Settle every 2 to 4 months	Equivalent	Equivalent	173,646	48	(1,636)

Note: Write-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 September 30, 2024

Table 9

Unit: NTS 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	\$ 91,804	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	2	
				Processing Expenses	493,164		No comparable goods under the same category; payment terms shall be settled every 1 month	8
				Purchase of machine supplies on behalf of others	24,211		The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
				Accounts Payable – Related Parties	104,202			1
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	30,605	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1	
				Everest Textile USA, LLC.	1	Sales of goods	28,508	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.
		Everest International (HK) Limited	1	Purchases		164,895	The transactions are made at general transaction prices; payment terms shall be settled every 1 month	3
				Accounts receivable - related parties	15,943	-		
				Purchases	52,627	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.		1
				Selling and Marketing Expenses	23,842	Price negotiation is adopted and payments are offset against other receivables		-
Everest Apparel (Haiti) S.A.	1	Other Receivables – Related Parties	415,540		3			
		Accounts receivable - related parties	153,446		1			
1	Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	3	Other Receivables – Related Parties	665,435	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	6	
				Sales of goods	654,940		11	
				Accounts receivable - related parties	173,646		1	
2	Everest International (HK) Limited	Everest Textile USA, LLC.	3	Other Receivables – Related Parties	545,997		5	
		Everest Apparel (Ethiopia) S.C.	3	Other Receivables – Related Parties	704,226		6	
		Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	19,739		The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	-
3	Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	49,970	The transactions are made at general transaction prices; collection terms shall be settled every 1 to 2 months.	1	
4	Everest USA Holdings, Inc.	Everest Development USA, LLC.	3	Other Receivables – Related Parties	152,555		1	
		Everest Textile USA, LLC.	1	Other Receivables – Related Parties	163,939		1	
5	Everest Textile (Thailand) Co., Ltd.	The Company	2	Accounts receivable - related parties	144,293		1	

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.

Note 2: Write-off during the preparation of the consolidated financial statements.

EVEREST TEXTILE CO., LTD.
INFORMATION ON MAJOR SHAREHOLDERS

September 30, 2024

Table 10

Name of Major Shareholder	Shares	
	Number of Shares Held (Share)	Shareholding Ratio
Yuan Ding Investment Corp.	164,613,745	23.69%

Note: The major shareholder information in this table is provided by Taiwan Depository & Clearing Corporation based on data as of the last business day of this quarter. It includes shareholders holding 5% or more of the Company's ordinary shares that have been registered in dematerialized form (including treasury shares). The share capital recorded in the Company's consolidated financial statements may differ from the actual number of shares registered dematerialized form due to difference in calculation bases.