

Everest Textile Co., Ltd.
and Subsidiaries

Consolidated Financial Statements for
the Nine Months Ended September 30,
2023 and 2022 and Independent
Auditors' Review Report

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail

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Independent Auditors' Review Report

The Board of Directors and Shareholders Everest Textile Co., Ltd.

Preface

We have audited the consolidated balance sheets of Everest Textile Co., Ltd. and its subsidiaries (the "Group") as of September 30, 2023 and 2022, and the consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and consolidated statements of cash flows for the nine months ended September 30, 2023 and 2022, and the notes to consolidated financial statements, including a summary of significant accounting policies. The preparation of financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as approved and issued by the Financial Supervisory Commission is the responsibility of the management and our responsibility is to conclude the consolidated financial statements based on our audit.

Scope

We conducted our review in accordance with Review Standard 2410, "Review of Financial Statements". The procedures performed in the course of the review of consolidated financial statements include inquiries (mainly to those responsible for financial and accounting affairs), analytical procedures and other audit procedures. A review is significantly less in scope than an audit, and we may not be able to express an opinion on all significant matters that could be identified by an audit.

Conclusion

Based on our review, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023 and 2022, and its financial performance for the three months ended September 30, 2023 and 2022, and its financial performance and its cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards (IAS), IAS 34 "Statement of Auditing Standard" endorsed and issued into effect by FSC.

Deloitte & Touche

CPA Lou Liao

CPA Li-yuan Guo

Financial Supervisory Commission
Approval No.
Jin-guan-zheng-shen-zi No. 0990031652

Securities and Futures Commission Approval
No.
Tai-cai-zheng-liu-zi No. 0920123784

November 9, 2023

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2023 and December 31 and September 30, 2022

Unit: NT\$ Thousands

Code	Assets	September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and Cash Equivalents (Note 6)	\$ 453,178	3	\$ 547,231	4	\$ 439,738	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Note 7)	2,002	-	189	-	389	-
1150	Notes Receivable (Notes 10, 21, and 26)	13,324	-	54,553	-	2,524	-
1170	Trade Receivables (Notes 10, 21, and 26)	916,867	7	1,149,237	8	1,540,579	10
1200	Other Receivables (Note 26)	313,754	2	452,048	3	81,509	1
1220	Current Tax Assets	9,611	-	11,072	-	8,677	-
130X	Inventories (Note 11)	5,818,915	43	6,148,768	41	5,974,431	41
1470	Other Current Assets (Note 15)	118,841	1	302,909	2	310,051	2
11XX	Total Current Assets	<u>7,646,492</u>	<u>56</u>	<u>8,666,007</u>	<u>58</u>	<u>8,357,898</u>	<u>57</u>
	Non-Current Assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	5,267	-	5,267	-	3,448	-
1600	Property, Plant and Equipment (Notes 13, 26, and 27)	5,280,831	39	5,625,211	38	5,632,541	38
1755	Right-Of-Use Assets (Note 14)	433,529	3	490,919	3	467,650	3
1840	Deferred Tax Assets	131,890	1	130,690	1	139,899	1
1990	Other Non-current Assets (Notes 9, 15 and 27)	53,039	1	59,426	-	152,075	1
15XX	Total Non-Current Assets	<u>5,904,556</u>	<u>44</u>	<u>6,311,513</u>	<u>42</u>	<u>6,395,613</u>	<u>43</u>
1XXX	Total Assets	<u>\$ 13,551,048</u>	<u>100</u>	<u>\$ 14,977,520</u>	<u>100</u>	<u>\$ 14,753,511</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2100	Short-Term Borrowings (Notes 16, 26 and 27)	\$ 2,703,518	20	\$ 3,774,426	25	\$ 3,583,168	24
2110	Short-Term Bills Payable (Note 16)	1,499,146	11	869,457	6	1,179,079	8
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current (Note 7)	219	-	240	-	693	-
2130	Contract Liabilities - Current (Note 21)	31,887	-	56,820	1	63,427	1
2150	Notes Payable (Note 17)	28,005	-	19,621	-	19,734	-
2160	Notes Payable to Related Parties (Notes 17 and 26)	21,776	-	17,048	-	-	-
2170	Trade Payables (Note 17)	436,792	3	502,472	4	608,202	4
2180	Trade Payables to Related Parties (Notes 17 and 26)	35,889	-	22,483	-	42,990	-
2219	Other Payables (Note 18)	449,016	4	432,343	3	483,178	3
2220	Other Payables to Related Parties (Note 26)	32,439	-	22,205	-	75,282	1
2230	Current Tax Liabilities	17,903	-	20,682	-	30,219	-
2250	Refund Liabilities - Current	7,154	-	7,154	-	7,154	-
2280	Lease Liabilities - Current (Notes 14 and 26)	89,432	1	105,778	1	99,165	1
2322	Long-Term Borrowings Due Within One Year (Notes 16, 26 and 27)	490,000	4	490,000	3	340,000	2
2399	Other Current Liabilities (Note 18)	25,755	-	43,184	-	29,738	-
21XX	Total Current Liabilities	<u>5,868,931</u>	<u>43</u>	<u>6,383,913</u>	<u>43</u>	<u>6,562,029</u>	<u>44</u>
	Non-Current Liabilities						
2540	Long-Term Borrowings (Notes 16, 26 and 27)	551,823	4	885,918	6	906,857	6
2570	Deferred Tax Liabilities	169,668	1	169,668	1	170,505	1
2580	Lease Liabilities - Non-Current (Notes 14 and 26)	397,069	3	439,248	3	425,220	3
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 19)	43,051	1	42,937	-	78,527	1
2645	Guarantee Deposits	770	-	720	-	720	-
2670	Other non-current liabilities	370	-	402	-	438	-
25XX	Total Non-Current Liabilities	<u>1,162,751</u>	<u>9</u>	<u>1,538,893</u>	<u>10</u>	<u>1,582,267</u>	<u>11</u>
2XXX	Total Liabilities	<u>7,031,682</u>	<u>52</u>	<u>7,922,806</u>	<u>53</u>	<u>8,144,296</u>	<u>55</u>
	Equity Attributable to Owners of The Company (Note 20)						
	Share Capital						
3110	Common Stock	6,946,434	51	6,946,434	46	6,946,434	47
3200	Capital Surplus	115,943	1	115,943	1	115,943	1
	Retained Earnings (Accumulated Losses)						
3310	Legal Reserve	198,758	2	192,358	1	192,358	1
3320	Special Reserve	305,704	2	248,096	2	248,096	2
3350	Undistributed Earnings (Deficits to Be Compensated)	(564,085)	(4)	64,008	-	(352,972)	(2)
3300	Retained Earnings (Accumulated Losses)	(59,623)	-	504,462	3	87,482	1
3400	Other Equity Interest	(150,558)	(1)	(179,296)	(1)	(207,818)	(2)
3500	Treasury Shares	(332,836)	(3)	(332,836)	(2)	(332,836)	(2)
31XX	Total Equity Attributable to Owners of the Parent	<u>6,519,360</u>	<u>48</u>	<u>7,054,707</u>	<u>47</u>	<u>6,609,205</u>	<u>45</u>
36XX	Non-Controlling Interests	6	-	7	-	10	-
3XXX	Total Equity	<u>6,519,366</u>	<u>48</u>	<u>7,054,714</u>	<u>47</u>	<u>6,609,215</u>	<u>45</u>
	Total Liabilities and Equity	<u>\$ 13,551,048</u>	<u>100</u>	<u>\$ 14,977,520</u>	<u>100</u>	<u>\$ 14,753,511</u>	<u>100</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income

July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022

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

Code		July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Notes 21 and 26)	\$ 2,021,904	100	\$ 2,666,556	100	\$ 5,555,328	100	\$ 7,608,489	100
5000	Operating Costs (Notes 11, 13, 22, and 26)	<u>2,126,425</u>	<u>105</u>	<u>2,238,146</u>	<u>84</u>	<u>5,068,278</u>	<u>91</u>	<u>6,294,033</u>	<u>83</u>
5900	Gross Profit (loss)	(<u>104,521</u>)	(<u>5</u>)	<u>428,410</u>	<u>16</u>	<u>487,050</u>	<u>9</u>	<u>1,314,456</u>	<u>17</u>
	Operating Expenses (Notes 10, 22 and 26)								
6100	Selling and Marketing Expenses	148,795	7	216,773	8	402,677	7	646,832	9
6200	General and Administrative Expenses	103,737	5	116,202	4	338,266	6	335,463	4
6300	Research and Development Expenses	58,611	3	58,971	2	179,076	3	173,018	2
6450	Expected Credit Impairment Loss	<u>19,974</u>	<u>1</u>	<u>102,600</u>	<u>4</u>	<u>49,785</u>	<u>1</u>	<u>101,528</u>	<u>1</u>
6000	Total Operating Expenses	<u>331,117</u>	<u>16</u>	<u>494,546</u>	<u>18</u>	<u>969,804</u>	<u>17</u>	<u>1,256,841</u>	<u>16</u>
6500	Other Operating Income and Expenses, Net (Note 22)	<u>4,882</u>	-	<u>2,350</u>	-	<u>5,273</u>	-	<u>2,608</u>	-
6900	Operating Profit (Loss)	(<u>430,756</u>)	(<u>21</u>)	(<u>63,786</u>)	(<u>2</u>)	(<u>477,481</u>)	(<u>8</u>)	<u>60,223</u>	<u>1</u>
	Non-Operating Income and Expenses (Notes 7, 11, 22, 26 and 29)								
7100	Interest Income	1,299	-	1,326	-	4,655	-	4,277	-
7010	Other Income	13,019	1	4,974	-	55,221	1	22,791	-
7020	Other Gains and Losses	31,868	1	103,495	4	38,415	1	150,075	2
7590	Fire damage	-	-	(14,358)	(1)	-	-	(449,532)	(6)
7510	Interest Expenses	(<u>46,558</u>)	(<u>2</u>)	(<u>36,311</u>)	(<u>1</u>)	(<u>151,096</u>)	(<u>3</u>)	(<u>81,654</u>)	(<u>1</u>)
7000	Total Non-Operating Income and Expenses	(<u>372</u>)	-	<u>59,126</u>	<u>2</u>	(<u>52,805</u>)	(<u>1</u>)	(<u>354,043</u>)	(<u>5</u>)
7900	Net loss before income tax	(431,128)	(21)	(4,660)	-	(530,286)	(9)	(293,820)	(4)
7950	Income Tax Expense (Notes 4 and 23)	<u>14,969</u>	<u>1</u>	<u>29,567</u>	<u>1</u>	<u>33,800</u>	<u>1</u>	<u>73,053</u>	<u>1</u>
8200	Net Loss for the Period	(<u>446,097</u>)	(<u>22</u>)	(<u>34,227</u>)	(<u>1</u>)	(<u>564,086</u>)	(<u>10</u>)	(<u>366,873</u>)	(<u>5</u>)
	Other Comprehensive Income/(Loss)								
8310	Items that will not be reclassified subsequently to profit or loss								

(Continued)

(Continued)

Code		July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	-	-	(1,307)	-	-	-	2,779	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating the financial statements of foreign operations	<u>82,697</u>	<u>4</u>	<u>57,936</u>	<u>2</u>	<u>28,738</u>	<u>-</u>	<u>156,456</u>	<u>2</u>
8300	Other comprehensive income/(loss) for the period, net of income tax	<u>82,697</u>	<u>4</u>	<u>56,629</u>	<u>2</u>	<u>28,738</u>	<u>-</u>	<u>159,235</u>	<u>2</u>
8500	Total comprehensive income/(loss) for the period	<u>(\$ 363,400)</u>	<u>(18)</u>	<u>\$ 22,402</u>	<u>1</u>	<u>(\$ 535,348)</u>	<u>(10)</u>	<u>(\$ 207,638)</u>	<u>(3)</u>
8600	Net loss attributable to:								
8610	Owners of the Company	<u>(\$ 446,097)</u>	<u>(22)</u>	<u>(\$ 34,228)</u>	<u>(1)</u>	<u>(\$ 564,085)</u>	<u>(10)</u>	<u>(\$ 366,874)</u>	<u>(5)</u>
8620	Non-Controlling Interests	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>	<u>-</u>
		<u>(\$ 446,097)</u>	<u>(22)</u>	<u>(\$ 34,227)</u>	<u>(1)</u>	<u>(\$ 564,086)</u>	<u>(10)</u>	<u>(\$ 366,873)</u>	<u>(5)</u>
8700	Total comprehensive income/(loss) attributable to:								
8710	Owners of the Company	<u>(\$ 363,400)</u>	<u>(18)</u>	<u>\$ 22,401</u>	<u>1</u>	<u>(\$ 535,347)</u>	<u>(10)</u>	<u>(\$ 207,639)</u>	<u>(3)</u>
8720	Non-Controlling Interests	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>	<u>-</u>
		<u>(\$ 363,400)</u>	<u>(18)</u>	<u>\$ 22,402</u>	<u>1</u>	<u>(\$ 535,348)</u>	<u>(10)</u>	<u>(\$ 207,638)</u>	<u>(3)</u>
	Net loss per share (Note 24)								
9710	Basic	<u>(\$ 0.66)</u>		<u>(\$ 0.05)</u>		<u>(\$ 0.84)</u>		<u>(\$ 0.54)</u>	
9810	Dilution	<u>(0.66)</u>		<u>(0.05)</u>		<u>(0.84)</u>		<u>(0.54)</u>	

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to September 30, 2023 and 2022

Unit: NTS Thousands

		Equity attributable to owners of the Company											
		Share Capital		Retained Earnings (Accumulated Losses)			Other Equity Items						
Code		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-Controlling Interests	Total Equity
A1	Balance on 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 of January 1 to September 30, 2023	-	-	-	-	(564,085)	-	-	-	-	(564,085)	(1)	(564,086)
D3	Other comprehensive income after tax of January 1 to September 30, 2023	-	-	-	-	-	28,738	-	28,738	-	28,738	-	28,738
D5	Total comprehensive income of January 1 to September 30, 2023	-	-	-	-	(564,085)	28,738	-	28,738	-	(535,347)	(1)	(535,348)
Z1	Balance on 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>
A1	Balance on January 1, 2022	\$ 6,946,434	\$ 115,943	\$ 174,022	\$ 83,073	\$ 183,359	(\$ 366,427)	\$ 13,276	(\$ 353,151)	(\$ 332,836)	\$ 6,816,844	\$ 9	\$ 6,816,853
	Distribution of 2021 earnings (Note 20)												
B1	Legal Reserve	-	-	18,336	-	(18,336)	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	165,023	(165,023)	-	-	-	-	-	-	-
D1	Net Profit (Loss) of January 1 to September 30, 2022	-	-	-	-	(366,874)	-	-	-	-	(366,874)	1	(366,873)
D3	Other comprehensive income after tax of January 1 to September 30, 2022	-	-	-	-	-	156,456	2,779	159,235	-	159,235	-	159,235
D5	Total comprehensive income of January 1 to September 30, 2022	-	-	-	-	(366,874)	156,456	2,779	159,235	-	(207,639)	1	(207,638)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-	-	-	-
Z1	Balance on September 30, 2022	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 192,358</u>	<u>\$ 248,096</u>	<u>(\$ 352,972)</u>	<u>(\$ 209,971)</u>	<u>\$ 2,153</u>	<u>(\$ 207,818)</u>	<u>(\$ 332,836)</u>	<u>\$ 6,609,205</u>	<u>\$ 10</u>	<u>\$ 6,609,215</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2023 and 2022

Unit: NT\$ Thousands

Code		January 1 to September 30, 2023	January 1 to September 30, 2022
	Cash flows from operating activities		
A10000	Net Loss Before Income Tax for the Period	(\$ 530,286)	(\$ 293,820)
	Adjustments for:		
A20100	Depreciation expenses	606,750	586,892
A20300	Expected Credit Impairment Loss	49,785	101,528
A20900	Interest Expenses	151,096	81,654
A21200	Interest Income	(4,655)	(4,277)
A21300	Dividend Income	(791)	(1)
A22500	Gain on disposal of property, plant and equipment	(5,273)	(2,608)
A23700	Inventory Valuation and Obsolescence Losses	49,597	-
A23700	Reversal of impairment loss on property, plant, and equipment	(6,966)	-
A24100	Net gains on unrealized foreign currency exchange	(11,597)	(43,034)
A29900	Fire damage	-	435,174
A29900	Gains From the Early Termination of Lease Liabilities	(1)	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	41,229	59,869
A31150	Trade receivables	184,388	307,004
A31180	Other Receivables	400,524	(24,652)
A31200	Inventory	307,965	(582,576)
A31240	Other current assets	184,503	(175,433)
A31990	Financial assets at fair value through profit or loss	(1,813)	4,673
A32125	Contract liabilities	(24,933)	9,834
A32130	Notes payable	8,384	(61,601)
A32140	Notes payable to related parties	4,728	(19,337)
A32150	Trade payables	(67,884)	(129,847)
A32160	Trade payables to related parties	13,406	(10,351)
A32180	Other payables	12,935	26,535
A32190	Other payables to related parties	10,234	22,566
A32230	Other current liabilities	(15,906)	15,093
A32240	Net defined benefit liabilities	114	1,908
A32250	Financial liabilities at fair value through profit or loss	(21)	671
A32990	Other non-current liabilities	(32)	(36)
A33000	Cash used in operations	1,355,480	305,828
A33100	Interest received	4,702	4,277
A33300	Interest paid	(158,718)	(78,715)

(Continued)

(Continued)

Code		January 1 to September 30, 2023	January 1 to September 30, 2022
A33500	Income tax paid	(\$ 35,202)	(\$ 114,817)
AAAA	Net cash inflows from operating activities	<u>1,166,262</u>	<u>116,573</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	-	(100)
B00200	Disposal of financial assets at fair value through profit or loss	-	84,305
B02700	Acquisition of property, plant, and equipment	(321,421)	(464,162)
B02800	Proceeds from disposal of property, plant and equipment	1,931	2,653
B03700	Increase in refundable deposits	(568)	(1,263)
B03800	Decrease in refundable deposits	877	1,573
B07600	Dividends received	<u>791</u>	<u>1</u>
BBBB	Net cash outflows from investing activities	(<u>318,390</u>)	(<u>376,993</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	8,913,252	7,499,439
C00200	Decrease in short-term borrowings	(10,059,777)	(7,206,532)
C00500	Increase in short-term notes and bills payable	9,740,098	10,752,989
C00600	Decrease in short-term notes and bills payable	(9,110,409)	(10,473,695)
C01600	Proceeds from long-term borrowings	1,093,221	1,266,857
C01700	Repayments of long-term borrowings	(1,425,000)	(1,567,500)
C03000	Guarantee deposits received	2,572	3,006
C03100	Refunds of guarantee deposits received	(4,093)	(4,906)
C04020	Payments of lease liabilities	(<u>83,368</u>)	(<u>80,431</u>)
CCCC	Net cash inflow from financing activities	(<u>933,504</u>)	<u>189,227</u>
DDDD	Effects of exchange rate changes on cash and cash equivalents	(<u>8,421</u>)	<u>29,028</u>
EEEE	Net decrease in cash and cash equivalents	(94,053)	(42,165)
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>547,231</u>	<u>481,903</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 453,178</u>	<u>\$ 439,738</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
January 1 to September 30, 2023 and 2022
(Unit: NT\$ Thousands, unless specified otherwise)

I. General Information

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.

II. Date and Procedures for the Approval of Financial Statements

The consolidated financial statements were approved by the Board on November 9, 2023.

III. Application of New and Amended Standards and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (the “FSC”)

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

(II) The IFRSs endorsed by the FSC for application starting from 2024.

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 regarding 'Supplier Financing Arrangements'.	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new/revised/amended IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

Note 3: Exemption from certain disclosure requirements when applying this amendment for the first time.

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

(III) IFRSs in issue but not yet endorsed and issued into effect by the FSC.

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	Undecided
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IFRS 17 on 'Lack of Exchangeability'	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new/revised/amended IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable for the annual reporting period commencing after January 1, 2025. Upon the initial application of this amendment, the impact will be recognized in retained earnings as of the initial application date. When the Group uses a non-functional currency as the presentation currency, the impact will be adjusted for the exchange differences of foreign operations under equity on the initial application date.

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

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by FSC. The consolidated financial statements do not contain all the IFRS disclosures required in the annual financial statements.

(II) Basis of preparation

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

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

1. Level 1 input: Refer to quoted prices in active markets for identical assets or liabilities on the measurement date (unadjusted).
2. Level 2 input: 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 input: Refer to unobservable inputs for asset or liability.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., subsidiaries). Adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by the Group. All intra-group transactions, account balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to owners of the Company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(IV) Other Significant Accounting Policies

Please refer to the summary of significant accounting policies in the consolidated financial statements for the year 2022 except as explained below.

1. Defined retirement benefits

The pension cost for the interim period is calculated using a rate determined on an actuarial basis at the end of the previous year, based on the period beginning to the end of the current year, adjusted for significant market fluctuations and significant plan amendments, settlements or other significant lump-sum events.

2. Income tax

The income tax expense represents the sum of the current income tax and deferred tax. Income tax for an interim period is evaluated on an annual basis, using the tax rate applicable to the total expected surplus for the year, in respect of the benefit before interim tax.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Please refer to the description of the critical accounting judgments and key sources of estimation uncertainty on the consolidated financial statements for the year ended December 31, 2022.

VI. Cash and Cash Equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and working capital	\$ 4,298	\$ 5,960	\$ 3,186
Checks and demand deposits in banks	232,958	397,964	436,552
Cash equivalents (investments with original maturity date less than 3 months)			
Time deposits	<u>215,922</u>	<u>143,307</u>	<u>-</u>
	<u>\$ 453,178</u>	<u>\$ 547,231</u>	<u>\$ 439,738</u>

As of September 30, 2023 and December 31, 2022, the interest rate ranges for time deposits with original maturity date less than 3 months were 1.55% ~ 2.10% and 1.90% - 1.96% respectively.

VII. Financial instruments at fair value through profit or loss

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets - current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
-Forward exchange contracts	<u>\$ 2,002</u>	<u>\$ 189</u>	<u>\$ 389</u>
<u>Financial liabilities - current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
-Forward exchange contracts	<u>\$ 219</u>	<u>\$ 240</u>	<u>\$ 693</u>

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

September 30, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Expiration Period</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward exchange	USD to RMB	2023.10.11~2023.10.20	USD 8,000/RMB 58,308

December 31, 2022

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward exchange	USD to RMB	2023.01.09~2023.01.19	USD 9,000/RMB 62,564

September 30, 2022

<u>Contract Content</u>	<u>Currency</u>	<u>Expiration Period</u>	<u>Contractual amount (NT\$ in thousands)</u>
Forward exchange	USD to RMB	2022.10.11~2022.10.28	USD 3,000/RMB 21,243

For the years ended December 31, 2023 and 2022, the purpose of the Group's forward exchange transactions is mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations. However, it does not meet the conditions for effective hedging so hedging accounting is not applicable.

From July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022, the valuation loss on financial assets and liabilities at fair value through profit or loss were NT\$1,527 thousand, NT\$7,108 thousand, NT\$20,245 thousand and NT\$23,919 thousand, respectively, recorded under other gain and loss in the consolidated statement of comprehensive income.

VIII. Financial Assets at Fair Value through Other Comprehensive Income

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Jin Lead Industrial Co., Ltd. - ordinary shares	\$ 5,252	\$ 5,252	\$ 3,433
Dah Chung Bills Finance Corp. - ordinary shares	<u>15</u>	<u>15</u>	<u>15</u>
	<u>\$ 5,267</u>	<u>\$ 5,267</u>	<u>\$ 3,448</u>

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

IX. Financial assets at amortized cost

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Non-current (accounted for as other non-current assets)</u>			
Time deposits with original maturity date over 3 months	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

- (1) As of September 30, 2023 and December 31, 2022, the interest rates for time deposits with original maturity date over 3 months were 1.58%, 1.46% and 1.09% respectively.
- (2) Please refer to Note 27 for information on pledges of financial assets at amortized cost.

X. Notes Receivable and Trade receivables

	<u>September 30,</u> 2023	<u>December 31,</u> 2022	<u>September 30,</u> 2022
<u>Notes receivable</u>			
Measured at amortized costs			
Gross carrying amount - occurred due to operations	<u>\$ 13,324</u>	<u>\$ 54,553</u>	<u>\$ 2,524</u>
 <u>Trade receivables</u>			
Measured at amortized costs			
Gross carrying amount	\$ 1,099,595	\$ 1,275,623	\$ 1,665,168
Less: Allowance for losses	<u>182,728</u>	<u>126,386</u>	<u>124,589</u>
	<u>\$ 916,867</u>	<u>\$ 1,149,237</u>	<u>\$ 1,540,579</u>

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

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

The Group writes-off trade receivables when there is evidence indicating that the counterparty is experiencing severe financial difficulty and the Group has no recoverable

amount that is reasonably expected, such as liquidation undergoing by the counterparty. However, the Company will continue to engage in enforcement activity to attempt to recover the receivables due.

As of September 30, 2023 and December 31 and September 30, 2022, according to the analysis based on the number of days past due conducted by the Group, notes receivables are not overdue; therefore, no expected credit loss is provided for note receivables.

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

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 - 180 days	181 days and above		
Rate of expected credit loss	0% ~ 8.76%	0% ~ 25.71%	0% ~ 100%	100%	
Gross carrying amount	\$ 846,748	\$ 56,564	\$ 104,942	\$ 91,341	\$ 1,099,595
Allowance for loss (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>

December 31, 2022

	No indicators of impairment for the individual asset exists.			Indicators of impairment for the individual asset exists.	Total
	90 days and below	91 - 180 days	181 days and above		
Rate of expected credit loss	0% ~ 8.76%	0% ~ 25.71%	0% ~ 100%	100%	
Gross carrying amount	\$ 941,314	\$ 106,210	\$ 142,966	\$ 85,133	\$ 1,275,623
Allowance for loss (lifetime expected credit loss)	(1,497)	(110)	(39,646)	(85,133)	(126,386)
Amortized costs	<u>\$ 939,817</u>	<u>\$ 106,100</u>	<u>\$ 103,320</u>	<u>\$ -</u>	<u>\$ 1,149,237</u>

September 30, 2022

	No indicators of impairment for the individual asset exists.			Indicators of impairment for the individual asset exists.	Total
	90 days and below	91 - 180 days	181 days and above		
Rate of expected credit loss	0.02% ~ 10.09%	0.09% ~ 26.54%	2.48% ~ 100%	100%	
Gross carrying amount	\$ 1,367,882	\$ 115,925	\$ 98,682	\$ 82,679	\$ 1,665,168
Allowance for loss (lifetime expected credit loss)	(4,426)	(1,370)	(36,114)	(82,679)	(124,589)
Amortized costs	<u>\$ 1,363,456</u>	<u>\$ 114,555</u>	<u>\$ 62,568</u>	<u>\$ -</u>	<u>\$ 1,540,579</u>

Changes in allowance for loss of trade receivables are as follows:

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Opening balance	\$ 126,386	\$ 18,306
Recognized for the period	49,785	101,528
Written-off for the period	-	(4)
Differences of foreign currency translation	<u>6,557</u>	<u>4,759</u>
Closing balance	<u>\$ 182,728</u>	<u>\$ 124,589</u>

XI. Inventories

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Finished goods	\$ 3,692,516	\$ 3,780,767	\$ 3,683,376
Work in progress	1,776,706	1,726,974	1,762,537
Raw materials	171,483	309,089	285,049
Supplies	<u>178,210</u>	<u>331,938</u>	<u>243,469</u>
	<u>\$ 5,818,915</u>	<u>\$ 6,148,768</u>	<u>\$ 5,974,431</u>

The inventories-related costs of sales amounted to NT\$2,133,391 thousand, NT\$2,238,146 thousand, NT\$5,075,244 thousand and NT\$6,294,033 thousand, respectively, from July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022. Of this amount, NT\$425,326 thousand of inventory damage due to fire from January 1 to September 30, 2022 was included in the consolidated statement of income under fire loss. The cost of goods sold for the period from January 1 to September 30, 2023, includes inventory write-down and obsolescence loss of NT\$49,597 thousand.

XII. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

Name of the investing company	Name of the subsidiary	Nature of business	Shareholding ratio (%)		
			2023 September 30	2022 December 31	2022 September 30
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 Investment (Holding) Ltd.	Everest Textile (HK) Co., Ltd.	International trade	99.3	99.3	99.3
	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100	100
	Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulsion 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) Limited	Investment and holdings	100	100	100
	Everest USA Holdings, Inc.	Investment and holdings	100	100	100
Everest USA Holdings, Inc.	Everest Development USA, LLC.	Operating asset management	100	100	100
	Everest Textile USA, LLC.	Production and dyeing of yarn and woven fabrics	100	100	100
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Apparel production	100	100	100
	Everest Apparel (Haiti) S.A.	Apparel production	100	100	100

XIII. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Construction in progress and equipment to be tested	Total
<u>Costs</u>								
Balance on January 1, 2023	\$ 707,579	\$ 2,201,219	\$ 5,936,115	\$ 88,856	\$ 443,059	\$ 1,705,725	\$ 100,995	\$ 11,183,548
Additions	-	47,819	185,624	4,803	16,171	59,436	13,484	327,337
Disposals	-	(18,872)	(391,283)	(17,444)	(26,193)	(166,364)	-	(620,156)
Net exchange difference	1,359	10,647	92,823	1,764	2,488	44,895	(1,413)	152,563
Balance on September 30, 2023	<u>\$ 708,938</u>	<u>\$ 2,240,813</u>	<u>\$ 5,823,279</u>	<u>\$ 77,979</u>	<u>\$ 435,525</u>	<u>\$ 1,643,692</u>	<u>\$ 113,066</u>	<u>\$ 11,043,292</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2023	\$ -	\$ 1,175,908	\$ 3,211,907	\$ 60,934	\$ 266,555	\$ 843,033	\$ -	\$ 5,558,337
Depreciation expenses	-	66,249	281,482	9,653	33,825	135,481	-	526,690
Disposals	-	(13,903)	(231,286)	(14,929)	(18,410)	(90,884)	-	(369,412)
Impairment Reversal Gain	-	-	(6,966)	-	-	-	-	(6,966)
Net exchange difference	-	(1,956)	38,638	1,346	1,395	14,389	-	53,812
Balance on September 30, 2023	<u>\$ -</u>	<u>\$ 1,226,298</u>	<u>\$ 3,293,775</u>	<u>\$ 57,004</u>	<u>\$ 283,365</u>	<u>\$ 902,019</u>	<u>\$ -</u>	<u>\$ 5,762,461</u>
Net amount on December 31, 2022 and January 1, 2023	<u>\$ 707,579</u>	<u>\$ 1,025,311</u>	<u>\$ 2,724,208</u>	<u>\$ 27,922</u>	<u>\$ 176,504</u>	<u>\$ 862,692</u>	<u>\$ 100,995</u>	<u>\$ 5,625,211</u>
Net amount on September 30, 2023	<u>\$ 708,938</u>	<u>\$ 1,014,515</u>	<u>\$ 2,529,504</u>	<u>\$ 20,975</u>	<u>\$ 152,160</u>	<u>\$ 741,673</u>	<u>\$ 113,066</u>	<u>\$ 5,280,831</u>
<u>Costs</u>								
Balance on January 1, 2022	\$ 700,702	\$ 2,125,892	\$ 5,476,640	\$ 79,572	\$ 429,941	\$ 1,474,583	\$ 46,544	\$ 10,333,874
Additions	-	29,766	175,585	7,392	15,438	99,315	50,664	378,160
Disposals	-	(28,373)	(72,737)	(2,594)	(20,479)	(25,826)	-	(150,009)
Net exchange difference	5,692	48,005	258,332	5,053	12,485	142,076	1,343	472,986
Balance on September 30, 2022	<u>\$ 706,394</u>	<u>\$ 2,175,290</u>	<u>\$ 5,837,820</u>	<u>\$ 89,423</u>	<u>\$ 437,385</u>	<u>\$ 1,690,148</u>	<u>\$ 98,551</u>	<u>\$ 11,035,011</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2022	\$ -	\$ 1,089,201	\$ 2,861,510	\$ 50,882	\$ 234,525	\$ 644,000	\$ -	\$ 4,880,118
Depreciation expenses	-	62,950	274,613	9,290	34,790	128,016	-	509,659
Disposals	-	(23,594)	(71,749)	(2,594)	(20,444)	(25,826)	-	(144,207)
Net exchange difference	-	9,064	95,903	3,179	6,758	41,996	-	156,900
Balance on September 30, 2022	<u>\$ -</u>	<u>\$ 1,137,621</u>	<u>\$ 3,160,277</u>	<u>\$ 60,757</u>	<u>\$ 255,629</u>	<u>\$ 788,186</u>	<u>\$ -</u>	<u>\$ 5,402,470</u>
Net amount on September 30, 2022	<u>\$ 706,394</u>	<u>\$ 1,037,669</u>	<u>\$ 2,677,543</u>	<u>\$ 28,666</u>	<u>\$ 181,756</u>	<u>\$ 901,962</u>	<u>\$ 98,551</u>	<u>\$ 5,632,541</u>

For the period from January 1 to September 30, 2023, the consolidated company recognized an impairment reversal gain of NT\$6,966 thousand, recorded under the cost of goods sold in the consolidated statement of comprehensive income.

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

Buildings	
Main buildings	5-56 years
Engineering systems	2-51 years
Machinery and equipment	2-30 years
Transportation equipment	2-16 years
Furniture and fixtures	2-15 years
Miscellaneous equipment	2-15 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.

XIV. Lease Agreements

(I) Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of right-of-use assets			
Buildings	\$ 430,582	\$ 487,938	\$ 466,043
Transportation equipment	<u>2,947</u>	<u>2,981</u>	<u>1,607</u>
	<u>\$ 433,529</u>	<u>\$ 490,919</u>	<u>\$ 467,650</u>
	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023
Addition of right-of-use assets			<u>\$ 4,621</u>
			<u>\$ 16,866</u>
Depreciation expense of right-of-use assets			
Buildings	\$ 26,575	\$ 25,700	\$ 78,872
Transportation equipment	<u>389</u>	<u>330</u>	<u>1,188</u>
	<u>\$ 26,964</u>	<u>\$ 26,030</u>	<u>\$ 80,060</u>
			<u>\$ 77,233</u>

(II) Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Carrying amount of lease liabilities			
Current	<u>\$ 89,432</u>	<u>\$ 105,778</u>	<u>\$ 99,165</u>
Non-current	<u>\$ 397,069</u>	<u>\$ 439,248</u>	<u>\$ 425,220</u>

The discount rate ranges for lease liabilities are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Buildings	1.02% ~ 4.12%	1.01% ~ 4.12%	1.01% ~ 4.12%
Transportation equipment	1.06% ~ 2.03%	1.06% ~ 1.62%	1.06% ~ 1.40%

(III) 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, office, and retail outlets, and the lease period is 1-13 years. At the end of the lease period, the Group has no right of first refusal for the leased building.

(IV) Other lease information

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Short-term lease expenses	<u>\$ 14,524</u>	<u>\$ 9,625</u>	<u>\$ 30,885</u>	<u>\$ 27,465</u>
Total cash outflows on lease	<u>\$ 43,484</u>	<u>\$ 37,554</u>	<u>\$ 120,098</u>	<u>\$ 114,341</u>

XV. Other assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Prepayments for goods	\$ 39,109	\$ 201,601	\$ 155,308
Prepaid expenses	28,889	56,680	52,863
Input tax	22,026	24,905	30,183
Refundable deposits	792	357	362
Others	<u>28,025</u>	<u>19,366</u>	<u>71,335</u>
	<u>\$ 118,841</u>	<u>\$ 302,909</u>	<u>\$ 310,051</u>
 <u>Non-current</u>			
Prepayments for equipment	\$ 34,966	\$ 40,947	\$ 133,723
Refundable deposits	17,973	18,379	18,252
Others	<u>100</u>	<u>100</u>	<u>100</u>
	<u>\$ 53,039</u>	<u>\$ 59,426</u>	<u>\$ 152,075</u>

XVI. Borrowings

(I) Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Bank credit borrowings	\$ 1,020,000	\$ 1,512,798	\$ 979,388
Bank secured borrowings	1,630,660	2,109,656	2,111,906
Bank mortgage borrowings	<u>52,858</u>	<u>151,972</u>	<u>491,874</u>
	<u>\$ 2,703,518</u>	<u>\$ 3,774,426</u>	<u>\$ 3,583,168</u>

The interest rates of short-term borrowings at the end of the reporting period were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Bank credit borrowings	1.80%~1.83%	1.15%~6.30%	1.15%~3.75%
Bank secured borrowings	2.37%~7.63%	2.15%~7.59%	1.14%~5.74%
Bank mortgage borrowings	3.87%	1.86%~6.45%	1.35%~2.21%

(II) Short-term bills payable

September 30, 2023

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
Ta Ching bills	\$ 150,000	\$ 32	\$ 149,968	1.56	None
China bills	50,000	23	49,977	1.38	None
China bills	300,000	215	299,785	1.38	None
Grand bills	300,000	226	299,774	1.45	None
Mega bills	350,000	286	349,714	1.57	None
Taiwan	100,000	23	99,977	1.66	None
Cooperative bills					
International bills	<u>250,000</u>	<u>49</u>	<u>249,951</u>	1.42	None
	<u>\$1,500,000</u>	<u>\$ 854</u>	<u>\$1,499,146</u>		

December 31, 2022

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
China bills	\$ 300,000	\$ 133	\$ 299,867	1.35	None
China bills	200,000	36	199,964	1.29	None
China bills	100,000	53	99,947	1.30	None
Ta Ching bills	150,000	250	149,750	1.90	None
International bills	<u>120,000</u>	<u>71</u>	<u>119,929</u>	1.80	None
	<u>\$ 870,000</u>	<u>\$ 543</u>	<u>\$ 869,457</u>		

September 30, 2022

<u>Promissory institution</u>	<u>Nominal amount</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range (%)</u>	<u>Name of the collateral</u>
<u>Commercial paper payable</u>					
Ta Ching bills	\$ 200,000	\$ 109	\$ 199,891	1.00	None
China bills	100,000	16	99,984	0.95	None
China bills	300,000	266	299,734	1.20	None
Grand bills	60,000	7	59,993	1.05	None
Grand bills	70,000	46	69,954	1.20	None
Grand bills	100,000	92	99,908	1.25	None
Taiwan	100,000	86	99,914	1.25	None
Cooperative bills					
International bills	130,000	197	129,803	1.15	None
International bills	<u>120,000</u>	<u>102</u>	<u>119,898</u>	1.15	None
	<u>\$1,180,000</u>	<u>\$ 921</u>	<u>\$1,179,079</u>		

(III) Long-term borrowings

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
<u>Unsecured borrowings</u>			
Bank credit borrowings	\$ 1,002,500	\$ 1,247,500	\$ 1,220,000
<u>Secured borrowings</u>			
Bank mortgage borrowings	<u>39,323</u>	<u>128,418</u>	<u>26,857</u>
	1,041,823	1,375,918	1,246,857
Less: Those mature within one year	<u>490,000</u>	<u>490,000</u>	<u>340,000</u>
	<u>\$ 551,823</u>	<u>\$ 885,918</u>	<u>\$ 906,857</u>

The abovementioned bank borrowings fall due one after another by December 2025. The interest rate per annum on September, 2023 and December 31 and September 30, 2022 are 1.78%-4.20%, 1.50%-2.71% and 1.21%-2.71%, respectively.

XVII. Notes Payable (including those to related parties) and Trade Payables (including those to related parties)

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

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

XVIII. Other current liabilities

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Other payables			
Payable for salaries or bonuses	\$ 140,862	\$ 177,738	\$ 157,216
Payable for utilities	35,087	25,534	38,387
Payable for pension	29,939	26,541	24,690
Payable for annual leave	29,507	27,362	30,559
Payable for shipping expenses	20,629	20,495	29,221
Payable for labor and health insurance	20,308	20,686	22,361
Payable for purchases of equipment	9,764	10,532	10,501
Payable for commissions	7,377	6,254	16,544
Payable for processing expenses	5,137	4,453	4,316
Payable for employees' compensation	1,207	4,855	3,949
Others	<u>149,199</u>	<u>107,893</u>	<u>145,434</u>
	<u>\$ 449,016</u>	<u>\$ 432,343</u>	<u>\$ 483,178</u>

(Continued)

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Other liabilities			
Agency Collections	\$ 20,700	\$ 35,538	\$ 19,394
Guarantee Deposits	2,545	4,068	4,106
Others	<u>2,510</u>	<u>3,578</u>	<u>6,238</u>
	<u>\$ 25,755</u>	<u>\$ 43,184</u>	<u>\$ 29,738</u>

XIX. Retirement Benefit Plans

The defined benefit plan-related retirement expense recognized from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022 were calculated using the actuarially determined retirement cost rate as of December 31, 2022 and 2021, which amounted to NT\$7,991 thousand, NT\$10,022 thousand, NT\$24,136 thousand and NT\$29,311 thousand, respectively.

XX. Equity

(I) Ordinary Shares

	September 30, 2023	December 31, 2022	September 30, 2022
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.

(II) Capital Surplus

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital</u>			
Premium on issuance of shares	\$ 16,299	\$ 16,299	\$ 16,299
Treasury share transactions (Note)	<u>99,644</u>	<u>99,644</u>	<u>99,644</u>
	<u>\$ 115,943</u>	<u>\$ 115,943</u>	<u>\$ 115,943</u>

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

(III) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (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 earnings 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 lifecycle, 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 Company's proposal and resolution on appropriation of earnings for 2022 and 2021 were approved by the Board of Directors on June 9, 2023 and at the shareholders' meetings held on June 16, 2022, respectively.

	<u>Appropriation of earnings</u>	
	<u>2022</u>	<u>2021</u>
Legal reserve provided	<u>\$ 6,400</u>	<u>\$ 18,336</u>
Special reserve provided	<u>\$ 57,608</u>	<u>\$ 165,023</u>

(IV) 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 period	Increase in current period	Decrease in current period	End of the period		
				Number of shares	Carrying amount	Market price
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>
January 1 to September 30, 2022						
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>\$ 158,797</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.

XXI. Revenue

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Revenue from the sales of goods	<u>\$ 2,021,904</u>	<u>\$ 2,666,556</u>	<u>\$ 5,555,328</u>	<u>\$ 7,608,489</u>

(I) Contract balance

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes receivable	<u>\$ 13,324</u>	<u>\$ 54,553</u>	<u>\$ 2,524</u>	<u>\$ 62,393</u>
Trade receivables	<u>\$ 916,867</u>	<u>\$ 1,149,237</u>	<u>\$ 1,540,579</u>	<u>\$ 1,902,269</u>
Contract liabilities – current				
Sales of goods	<u>\$ 31,887</u>	<u>\$ 56,820</u>	<u>\$ 63,427</u>	<u>\$ 53,593</u>

(II) Disaggregation of revenue from customer contracts

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Finished fabric	\$1,764,274	\$2,283,343	\$4,581,914	\$6,371,106
Processed silk	108,906	179,944	356,434	657,279
Others	<u>148,724</u>	<u>203,269</u>	<u>616,980</u>	<u>580,104</u>
	<u>\$2,021,904</u>	<u>\$2,666,556</u>	<u>\$5,555,328</u>	<u>\$7,608,489</u>

XXII. Net loss before income tax

(I) Other Operating Income and Expenses, Net

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Gains on disposal of property, plant and equipment	<u>\$ 4,882</u>	<u>\$ 2,350</u>	<u>\$ 5,273</u>	<u>\$ 2,608</u>

(II) Interest Income

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Bank deposits	\$ 1,299	\$ 1,325	\$ 4,654	\$ 4,244
Others	<u>-</u>	<u>1</u>	<u>1</u>	<u>33</u>
	<u>\$ 1,299</u>	<u>\$ 1,326</u>	<u>\$ 4,655</u>	<u>\$ 4,277</u>

(III) Other Income

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Dividend Income	\$ -	\$ -	\$ 791	\$ 1
Grants	-	600	3,136	867
Others	<u>13,019</u>	<u>4,374</u>	<u>51,294</u>	<u>21,923</u>
	<u>\$ 13,019</u>	<u>\$ 4,974</u>	<u>\$ 55,221</u>	<u>\$ 22,791</u>

(IV) Other Gains and Losses

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Gain on foreign currency exchange	\$ 32,614	\$ 109,522	\$ 59,056	\$ 170,639
Losses on financial liabilities at fair value through profit or loss	(1,527)	(7,108)	(20,245)	(23,919)
Others	<u>781</u>	<u>1,081</u>	(<u>396</u>)	<u>3,355</u>
	<u>\$ 31,868</u>	<u>\$ 103,495</u>	<u>\$ 38,415</u>	<u>\$ 150,075</u>

Net gains on foreign currency exchange in the above table include:

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Total gains on foreign currency exchange	\$ 176,835	\$ 220,629	\$ 447,215	\$ 446,234
Total loss on foreign currency exchange	(<u>144,221</u>)	(<u>111,107</u>)	(<u>388,159</u>)	(<u>275,595</u>)
	<u>\$ 32,614</u>	<u>\$ 109,522</u>	<u>\$ 59,056</u>	<u>\$ 170,639</u>

(V) Interest Expenses

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Interests on bank borrowings	\$ 45,007	\$ 34,650	\$ 146,280	\$ 76,253
Interest on lease liabilities	1,843	2,135	5,845	6,445
Less: Amounts included in the cost of required assets	<u>292</u>	<u>474</u>	<u>1,029</u>	<u>1,044</u>
	<u>\$ 46,558</u>	<u>\$ 36,311</u>	<u>\$ 151,096</u>	<u>\$ 81,654</u>

Information related to interest capitalization is as follows:

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Amount of interest capitalization	\$ 292	\$ 474	\$ 1,029	\$ 1,044
Interest rate on interest capitalization	1.94%	1.45%	1.86% ~ 1.94%	1.15% ~ 1.45%

(VI) Depreciation expenses

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
An analysis of depreciation by function				
Operating costs	\$ 179,219	\$ 176,587	\$ 544,370	\$ 519,423
Operating expenses	<u>19,131</u>	<u>22,404</u>	<u>62,380</u>	<u>67,469</u>
	<u>\$ 198,350</u>	<u>\$ 198,991</u>	<u>\$ 606,750</u>	<u>\$ 586,892</u>

(VII) Employee benefits expenses

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Short-term employee benefits	<u>\$ 448,679</u>	<u>\$ 492,333</u>	<u>\$ 1,325,319</u>	<u>\$ 1,394,981</u>
Retirement benefits				
Defined contribution plans	18,703	37,712	63,164	77,438
Defined benefit plans (Note 19)	<u>7,991</u>	<u>10,022</u>	<u>24,136</u>	<u>29,311</u>
	<u>26,694</u>	<u>47,734</u>	<u>87,300</u>	<u>106,749</u>
	<u>\$ 475,373</u>	<u>\$ 540,067</u>	<u>\$ 1,412,619</u>	<u>\$ 1,501,730</u>
By function				
Operating costs	\$ 370,304	\$ 395,046	\$ 1,033,003	\$ 1,095,458
Operating expenses	<u>105,069</u>	<u>145,021</u>	<u>379,616</u>	<u>406,272</u>
	<u>\$ 475,373</u>	<u>\$ 540,067</u>	<u>\$ 1,412,619</u>	<u>\$ 1,501,730</u>

(VIII) Employees' compensation and remuneration of directors

The Company appropriates employees' compensation and remuneration of directors based on the rates of 2% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors for the year according to its Articles. There is accumulated loss during January 1 to September 30, 2023 and 2022; hence, the remuneration of employees and directors is not 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.

Employees' compensation and remuneration of directors for the year ended December 31, 2022 and 2021, which were approved by the Board of Directors on March 9, 2023 and March 3, 2022, respectively, were as follows:

	Cash	
	2022	2021
Employees' compensation	\$ <u>906</u>	\$ <u>3,760</u>
Remuneration of directors	\$ <u>-</u>	\$ <u>-</u>

There was no difference between the actual amount paid for employees' compensation and remuneration of directors and the amount recognized in the financial statements for the year ended December 31, 2022 and 2021.

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

XXIII. Income tax

(I) Income tax recognized in profit or loss

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Current income tax				
Incurred during the period	\$ 16,442	\$ 28,907	\$ 35,000	\$ 72,815
Adjustments for prior years	-	264	-	3,160
Deferred income tax				
Incurred during the period	(<u>1,473</u>)	<u>396</u>	(<u>1,200</u>)	(<u>2,922</u>)
Income tax expenses recognized in profit or loss	<u>\$ 14,969</u>	<u>\$ 29,567</u>	<u>\$ 33,800</u>	<u>\$ 73,053</u>

(II) Income tax assessments

With the exception of the fiscal year of 2020, The Company and its subsidiary Everest International Develop Investment Co., Ltd.'s income tax returns as of 2021 have been assessed by the tax authorities.

XXIV. Earnings per share

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

Net Loss for the Period

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Net loss attributable to owners of the Company	(<u>\$ 446,097</u>)	(<u>\$ 34,228</u>)	(<u>\$ 564,085</u>)	(<u>\$ 366,874</u>)

Number of shares

Unit: thousand shares

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Number of issued ordinary shares at the beginning of the year	694,643	694,643	694,643	694,643
Less: 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 net loss per share	<u>674,465</u>	<u>674,465</u>	<u>674,465</u>	<u>674,465</u>

From January 1 to September 30, 2023 and 2022, the Company's potential ordinary shares for employee compensation were not included in the calculation of net loss per share because of anti-dilution effect.

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.

XXV. Financial instruments

(I) Fair value information - Fair value of 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).

(II) Fair value information - Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Investments in equity instruments				
- Shares of domestic unlisted companies	\$ -	\$ -	\$ 5,267	\$ 5,267
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 2,002	\$ -	\$ 2,002
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 219	\$ -	\$ 219

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at</u>				
<u>Fair Value through</u>				
<u>Other</u>				
<u>Comprehensive</u>				
<u>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 at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 189</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 240</u>

September 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Investments in equity instruments				
- Shares of domestic unlisted companies	\$ -	\$ -	\$ 3,448	\$ 3,448
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 389	\$ -	\$ 389
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 693	\$ -	\$ 693

There were no transfers between Level 1 and 2 during January 1 to September 30, 2023 and 2022.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Category of financial instruments</u>	<u>Valuation techniques and inputs</u>
Derivative instruments – forward exchange contract	The fair value of forward exchange contracts is measured at the interest rate yield curve of the quoted price at the forward exchange rate and derived from the quoted interest rate matching the expiry period of the contract.

3. Valuation techniques and inputs applied for Level 3 fair value measurement

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

(III) Categories of financial instruments

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			

Financial assets at amortized cost (Note 1)	\$ 1,715,988	\$ 2,221,905	\$ 2,083,064
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	2,002	189	389
Financial Assets at Fair Value through Other Comprehensive Income			
Investments in equity instruments	5,267	5,267	3,448
<u>Financial liabilities</u>			
Measure at amortized costs (Note 2)	6,251,719	7,040,761	7,243,316
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	219	240	693

Note 1. The balances include cash and cash equivalents, notes and trade 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), and other financial assets at amortized cost.

Note 2. The balances include short-term borrowings, short-term bills payable, notes and trade 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.

(IV) Financial risk management objectives and policies

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

Material treasury activities of the Group are reviewed by the Board in accordance with relevant regulations and internal control systems. Compliance

with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not perform any financial instruments (including derivative financial instruments) transaction for speculative purposes.

1. Market risk

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

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

(1) Foreign currency risk

The Group engages in sales and purchases denominated in foreign currencies, which exposes 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 is mainly exposed to the fluctuation of the United States dollar (USD), Thai Baht (THB) and Ethiopian birr (ETB).

The following table details the Group's sensitivity to a 1% increase and decrease in NT\$ (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding monetary items denominated in foreign currencies, and their translations at the end of the period are adjusted at 1% of changes in the exchange rate. A positive number in the table below indicates a decrease in net loss before income tax that would result when the functional currency weakens 1% against the relevant currency. For a 1% strengthening of NTD against the relevant currency, the effect on the net loss before income tax would be the same amount in negative.

<u>USD impact</u>	
<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>

Profit or loss	\$	19,172	\$	21,000
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THB impact

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Profit or loss	\$ 469	\$ 544

ETB impact

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Profit or loss	\$ 1,194	\$ 1,789

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

(2) Interest rate risk

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 216,022	\$ 143,407	\$ 100
Financial liabilities	3,556,305	2,464,483	4,093,814
With cash flow interest rate risk			
Financial assets	202,618	367,117	362,665
Financial liabilities	2,174,683	4,100,344	2,439,675

Sensitivity analysis

The sensitivity analysis below was determined based on the Group'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 interest rates had been 1% higher/lower and all other variables were held constant, the Group's net losses before income tax from January 1 to September 30, 2023 and 2022 would have increased by NT\$14,790 thousand and NT\$15,578 thousand, which primarily relates to the Group's floating rate borrowings.

(3) Other price risks

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

Sensitivity analysis

The sensitivity analysis below was conducted based on the Group's exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, other comprehensive income/(loss) before income tax for January 1 to September 30, 2023 and 2022 would have increased/decreased by NT\$53 thousand and NT\$34 thousand, respectively, as a result of the changes in the fair values of financial assets at fair value through other comprehensive income.

2. Credit risk

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

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

3. Liquidity risk

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

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

(1) Liquidity and interest rate risk table for non-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, 2023

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1-5 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	902,479	303,965	429,538	609,669	-
Fixed rate instruments	<u>2,467,806</u>	<u>612,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,869,511</u>	<u>\$ 1,317,008</u>	<u>\$ 631,981</u>	<u>\$ 876,444</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>

December 31, 2022

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1-5 years	5 years and above
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 512,906	\$ 434,609	\$ 72,725	\$ 720	\$ -
Lease liabilities	11,302	17,196	84,861	286,724	171,408
Floating rate instruments	706,625	1,903,276	615,036	927,184	-
Fixed rate instruments	<u>1,021,507</u>	<u>591,308</u>	<u>313,436</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,252,340</u>	<u>\$ 2,946,389</u>	<u>\$ 1,086,058</u>	<u>\$ 1,214,628</u>	<u>\$ 171,408</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>\$ 113,359</u>	<u>\$ 286,724</u>	<u>\$ 171,408</u>

September 30, 2022

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1-5 years	5 years and above
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 644,338	\$ 430,263	\$ 158,891	\$ 720	\$ -
Lease liabilities	6,472	16,460	82,342	288,197	155,395
Floating rate instruments	562,353	260,644	720,208	906,857	-
Fixed rate instruments	<u>2,312,442</u>	<u>1,191,096</u>	<u>79,741</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,525,605</u>	<u>\$ 1,898,463</u>	<u>\$ 1,041,182</u>	<u>\$ 1,195,774</u>	<u>\$ 155,395</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>\$ 105,274</u>	<u>\$ 288,197</u>	<u>\$ 155,395</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, 2023

	Payment on demand or less than 1 month	1 to 3 months
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Inflow	\$ 2,002	\$ -
— Outflow	(219)	-
	<u>\$ 1,783</u>	<u>\$ -</u>

December 31, 2022

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Inflow	\$ 189	\$ -
— Outflow	(240)	-
	<u>(\$ 51)</u>	<u>\$ -</u>

September 30, 2022

	<u>Payment on demand or less than 1 month</u>	<u>1 to 3 months</u>
<u>Total amount of delivery</u>		
Forward exchange contracts		
— Inflow	\$ 389	\$ -
— Outflow	(693)	-
	<u>(\$ 304)</u>	<u>\$ -</u>

XXVI. Related Party Transactions

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

(I) Names of related parties and relationships with the Company

<u>Names of the related party</u>	<u>Relationship with the Group</u>
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 subsidiaries of FENC)
Everest Textile (Shanghai) Ltd. (Everest Shanghai)	Other related parties (the subsidiaries of FENC)
Far Eastern Apparel (Suzhou) Co., Ltd.	Other related parties (the subsidiaries of FENC)
Far Eastern Investment (Holding)Limited	Other related parties (the subsidiaries of FENC)

Names of the related party	Relationship with the Group
Oriental Petrochemical (Shanghai) Corporation	Other related parties (the subsidiaries of FENC)
Far Eastern New Apparel (Vietnam)Ltd.	Other related parties (the subsidiaries of FENC)
Jin Lead Industrial Co., Ltd.	Other related parties (the Company is the corporate director of Jin Lead Industrial Co., Ltd.)

(II) Sales of goods

Category of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Investors with significant influence over the Company	\$ -	\$ 1,119	\$ 6	\$ 6,819
Other related parties	<u>253</u>	<u>-</u>	<u>1,334</u>	<u>-</u>
	<u>\$ 253</u>	<u>\$ 1,119</u>	<u>\$ 1,340</u>	<u>\$ 6,819</u>

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

(III) Purchases

Category of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Investors with significant influence over the Company	\$ 47,930	\$ 57,583	\$ 143,359	\$ 174,130
Other related parties	<u>90,316</u>	<u>146,996</u>	<u>244,597</u>	<u>375,188</u>
	<u>\$ 138,246</u>	<u>\$ 204,579</u>	<u>\$ 387,956</u>	<u>\$ 549,318</u>

The purchase prices 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.

(IV) Receivables from related parties

Line item	Category of related party	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	Other related parties	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ -</u>
Trade receivables	Other related parties	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ -</u>
Other Receivables	Investors with significant influence over the Company	\$ 13	\$ -	\$ -
	Other related parties			
	Far Eastern (Vietnam) Co., Ltd.	262,082	-	-
	Others	<u>24</u>	<u>-</u>	<u>36</u>
		<u>\$ 262,119</u>	<u>\$ -</u>	<u>\$ 36</u>

Receivables from related parties were not charged with guarantee. Receivables from related parties for the period ends September 30, 2023 and December 31 and September 30, 2022 were not recognized the allowance for loss.

Other amounts due from related parties mainly relate to the sale of fixed assets.

(V) Payables to related parties (excluding loans from related parties)

Line item	Category/name of related party	September 30, 2023	December 31, 2022	September 30, 2022
Notes payable to related parties	Investors with significant influence over the Company			
	Far Eastern New Century Corporation (FENC)	<u>\$ 21,776</u>	<u>\$ 17,048</u>	<u>\$ -</u>
Trade payables to related parties	Other related parties	\$ 25,581	\$ 20,304	\$ 35,978
	Investors with significant influence over the Company	<u>10,308</u>	<u>2,179</u>	<u>7,012</u>
		<u>\$ 35,889</u>	<u>\$ 22,483</u>	<u>\$ 42,990</u>
Other payables to related parties	Other related parties			
	Everest Shanghai	\$ 32,439	\$ 21,676	\$ 74,394
	Others	<u>-</u>	<u>529</u>	<u>888</u>
		<u>\$ 32,439</u>	<u>\$ 22,205</u>	<u>\$ 75,282</u>

The outstanding payables to related parties are not guaranteed.

(VI) Disposals of property, plant and equipment

Category/name of related party	Disposal consideration		Disposal gains	
	July 1 to September 30, 2023	January 1 to September 30, 2023	July 1 to September 30, 2023	January 1 to September 30, 2023
Other related parties				
Far Eastern (Vietnam) Co., Ltd.	<u>\$ 262,082</u>	<u>\$ 262,082</u>	<u>\$ 3,528</u>	<u>\$ 3,528</u>

(VII) Lease agreements

Line item	Category/name of related party	September 30, 2023	December 31, 2022	September 30, 2022
Lease liabilities	Other related parties			
	Far Eastern Investment (Holding) Limited	<u>\$ 74,292</u>	<u>\$ 92,323</u>	<u>\$ 100,078</u>
		July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2022
<u>Interest Expenses</u>				
Other related parties		<u>\$ 746</u>	<u>\$ 1,008</u>	<u>\$ 2,439</u>

(VIII) Borrowings from related parties

Category/name of related party	September 30, 2023	December 31, 2023	September 30, 2022
Other related parties (included in short-term and long-term borrowings)			
FEIB	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 280,000</u>

Interest Expenses

Category/name of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Other related parties				
FEIB	<u>\$ 818</u>	<u>\$ 1,012</u>	<u>\$ 5,651</u>	<u>\$ 2,424</u>

In addition, to apply for a credit line, the Company provided land, buildings and machinery equipment as collateral to FEIB for financing. The carrying amounts of the pledged assets were NT\$1,066,504 thousand, NT\$1,154,686 thousand,

and NT\$1,186,691 thousand as of September 30, 2023, and December 31 and September 30, 2022, respectively.

(IX) Other transactions with related parties

1. Processing expenses

The Group contracted processing with another related party, Jin Lead Industrial Co., Ltd. The processing fees recognized from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022 are NT\$4,351 thousand, NT\$7,331 thousand, NT\$13,872 thousand and NT\$25,115 thousand, respectively. The abovementioned processing fees are made at general transaction prices; payment terms shall be settled as general processing plants every 1 to 2 months.

2. Energy expenses

Category/name of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Other related parties				
Everest Shanghai	\$ 51,545	\$ 48,358	\$ 135,935	\$ 147,250
Others	<u>-</u>	<u>760</u>	<u>-</u>	<u>1,577</u>
	<u>\$ 51,545</u>	<u>\$ 49,118</u>	<u>\$ 135,935</u>	<u>\$ 148,827</u>

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

(X) Compensation of key management personnel

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Short-term employee benefits	\$ 6,615	\$ 5,877	\$ 20,061	\$ 16,763
Retirement benefits	<u>547</u>	<u>517</u>	<u>1,641</u>	<u>1,550</u>
	<u>\$ 7,162</u>	<u>\$ 6,394</u>	<u>\$ 21,702</u>	<u>\$ 18,313</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.

XXVII. Pledged Assets

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

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 511,685	\$ 512,250	\$ 510,063
Buildings	241,696	254,713	257,080
Machinery and equipment	568,111	648,606	676,918
Financial assets at amortized cost - non-current (accounted for as other non-current assets)			
- pledged time deposits in banks	<u>100</u>	<u>100</u>	<u>100</u>
	<u>\$ 1,321,592</u>	<u>\$ 1,415,669</u>	<u>\$ 1,444,161</u>

XXVIII. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

Significant commitments

- (I) The subsidiary in Everest Thailand has applied to the electric power company for the right to use electricity. The guarantees provided by the entrusted bank were NT\$6,681 thousand, NT\$6,771 thousand, and NT\$6,401 thousand (translated into THB7,573 thousand on September 30, 2023 and December 31 and September 30, 2022) as of September 30, 2023 and December 31 and September 30, 2022, respectively.
- (II) As of September 30, 2023, December 31 and September 30, 2022, the Group's unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT\$33,919 thousand, NT\$21,497 thousand, and NT\$22,225 thousand, respectively.

(III) The contractual commitments that were contracted for but not realized are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Acquisition of property, plant and equipment	<u>\$ 134,089</u>	<u>\$ 140,777</u>	<u>\$ 173,465</u>

XXIX. Major disaster loss

The warehouse of the Tainan Factory of the Group was damaged by a fire on March 15, 2022, resulting in damage to some buildings and inventory. The amount of uncompensated damages was NT\$449,532 thousand. The Group had insurance coverage for the damaged assets. The insurance compensation income of 415,397 thousand yuan has been recognized in 2022, and the full amount has been received in February 2023.

XXX. 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 Denominated in Foreign Currencies were as follows:

Unit: foreign currencies and NT\$ in thousand

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	\$ 1,100,312
		(USD: NTD)	
USD	14,549	36.579	469,487
		(USD: THB)	
USD	19,776	7.309	638,164
		(USD: RMB)	
THB	53,183	0.8822	46,918
		(THB: NTD)	
ETB	223,683	0.0179	129,418
		(ETB: USD)	
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	4,785	32.27	154,405
		(USD: NTD)	
USD	3,208	36.579	103,510
		(USD: THB)	
USD	1,018	7.309	32,837
		(USD: RMB)	
ETB	17,376	0.0179	10,048
		(ETB USD)	
<u>December 31, 2022</u>			

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 25,793	30.71 (USD: NTD)	\$ 792,091
USD	15,054	34.347 (USD: THB)	462,322
USD	15,634	6.965 (USD: RMB)	480,133
THB	33,821	0.8941 (THB: NTD)	30,239
ETB	301,898	0.0186 (ETB: USD)	172,098
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	5,697	30.71 (USD: NTD)	174,962
USD	9,617	34.347 (USD: THB)	295,331
USD	750	6.965 (USD: RMB)	23,028
ETB	6,973	0.0186 (ETB: USD)	3,975

September 30, 2022

<u>Financial assets</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 30,911	31.75 (USD: NTD)	\$ 981,415
USD	31,855	37.565 (USD: THB)	1,011,396
USD	22,478	7.124 (USD: RMB)	713,681
THB	64,379	0.8452 (THB: NTD)	54,413
ETB	299,341	0.0188 (ETB: USD)	178,933
<u>Monetary items</u>			
USD	\$ 5,861	31.75 (USD: NTD)	\$ 186,087
USD	11,324	37.565 (USD: THB)	359,534
USD	1,916	7.124 (USD: RMB)	60,824

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, 2023		July 1 to September 30, 2022	
	Functional currency translated into presentation currency	Net exchange (losses) gains	Functional currency translated into presentation currency	Net exchange (losses) gains
USD	(USD: NTD)	(\$ 562)	(USD: NTD)	(\$ 492)
NTD	(NTD: NTD)	33,227	(NTD: NTD)	54,540
RMB	(RMB: NTD)	(3,294)	(RMB: NTD)	38,036
THB	(THB: NTD)	3,237	(THB: NTD)	17,428
HKD	(HKD: NTD)	6	(HKD: NTD)	10
		<u>\$ 32,614</u>		<u>\$ 109,522</u>

Functional currency	January 1 to September 30, 2023		January 1 to September 30, 2022	
	Functional currency translated into presentation currency	Net exchange (losses) gains	Functional currency translated into presentation currency	Net exchange (losses) gains
USD	(USD: NTD)	(\$ 4,576)	(USD: NTD)	(\$ 9,666)
NTD	(NTD: NTD)	38,892	(NTD: NTD)	75,888
RMB	(RMB: NTD)	18,894	(RMB: NTD)	67,977
THB	(THB: NTD)	5,820	(THB: NTD)	36,414
HKD	(HKD: NTD)	26	(HKD: NTD)	26
		<u>\$ 59,056</u>		<u>\$ 170,639</u>

XXXI. Supplementary Disclosures

(I) Information on Significant Transactions:

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

7. Purchases and sales with related parties with an amount achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 4)
 8. Receivables from related parties achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 5)
 9. Engaging in derivatives trading. (Note 7)
 10. Others: Business relationships and status and amount of significant transactions between the parent company and subsidiaries and between the respective subsidiaries. (Table 9)
- (II) Information on Invested Companies : (Table 6)
- (III) Information on Investments in Mainland China:
1. Information on invested companies in Mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, profit or loss and investment gain or loss recognized for the period, carrying amount of investment at the end of the period, repatriated investment gain or loss, and ceiling of investments in Mainland China. (Table 7)
 2. Significant transactions directly with investee companies in Mainland China or directly or indirectly through a third region, and their prices, payment terms, unrealized profit or loss. (Tables 4, 5, 8, and 9)
 - (1) Purchase amount and percentage, and the closing balance and percentage of the related payables.
 - (2) Sales amount and percentage, and the closing balance and percentage of the related receivables.
 - (3) Property transaction amount and the resulting gain 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.
- (IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Table 10)

XXXII. Segment Information

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

Textile segment - textile production

Investment segment - general investment

(I) 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, 2023</u>			
Segment revenue - from external customers	<u>\$ 5,555,328</u>	<u>\$ -</u>	<u>\$ 5,555,328</u>
Segment losses	(<u>\$ 477,175</u>)	(<u>\$ 306</u>)	(\$ 477,481)
Interest Income			4,655
Net gains on foreign currency exchange			59,056
Interest Expenses			(151,096)
Other non-operating income - net			<u>34,580</u>
Net loss before income tax			(<u>\$ 530,286</u>)
<u>January 1 to September 30, 2022</u>			
Segment revenue - from external customers	<u>\$ 7,608,489</u>	<u>\$ -</u>	<u>\$ 7,608,489</u>
Segment profits (losses)	<u>\$ 60,535</u>	(<u>\$ 312</u>)	\$ 60,223
Interest Income			4,277
Net gains on foreign currency exchange			170,639
Fire damage			(449,532)
Interest Expenses			(81,654)
Other non-operating income - net			<u>2,227</u>
Net loss before income tax			(<u>\$ 293,820</u>)

The revenue of reportable segments set out above were generated from transactions with external customers; there were no intra-segment sales for January 1 to September 30, 2023 and 2022.

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.

(II) Segment total assets

Segment assets	September 30, 2023	December 31, 2022	September 30, 2022
Textile segment	\$ 13,544,007	\$ 14,970,634	\$ 14,746,522
Investment segment	<u>7,041</u>	<u>6,886</u>	<u>6,989</u>
Consolidated total assets	<u>\$ 13,551,048</u>	<u>\$ 14,977,520</u>	<u>\$ 14,753,511</u>

Everest Textile Co., Ltd. and Subsidiaries
Loaning to Others
January 1 to September 30, 2023

Table 1

Unit: NT\$ Thousands

Code	Financing company	Borrower	Current account	Whether the borrower is a related party	Maximum balance for the period	Closing balance	Actual amount utilized (Note 4)	Interest rate range (%)	Funds Nature of financing (Note 3)	Transaction amount Amount	Reason for short-term financing	Allowance for doubtful debts provided	Collateral		Credit limit for the individual borrower	Loans Total credit limit
													Name	Value		
0	The Company	Everest Textile USA, LLC.	Other receivables from related parties	Yes	\$ 806,750	\$ 806,750	\$ -	-	2.	\$ -	Working capital	\$ -	None	\$ -	\$ 1,303,872 (Note 1)	\$ 2,607,744 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	373,041	373,041	373,041	1.95~1.96	2	-	Working capital	-	None	-	1,303,872 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	551,817	551,817	-	-	2	-	Working capital	-	None	-	1,303,872 (Note 1)	
					<u>\$ 1,731,608</u>	<u>\$ 1,731,608</u>	<u>\$ 373,041</u>									
1	Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	\$ 532,752	\$ 532,752	\$ 532,752	5.35~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	2,713,175 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	332,381	332,381	328,947	5.35~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	86,161	86,161	86,161	5.35~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	46,792	46,792	46,792	5.99~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
		Everest Apparel (HK) Limited	Other receivables from related parties	Yes	111,009	111,009	111,009	5.35~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	62,927	62,927	54,929	5.35~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	70,349	70,349	35,658	6.28~6.48	2.	-	Working capital	-	None	-	1,627,905 (Note 1)	
							<u>\$ 1,242,371</u>	<u>\$ 1,242,371</u>	<u>\$ 1,196,248</u>							
2	Hongzhan Textile (Shanghai) Ltd.	Everest International (HK) Limited	Other receivables from related parties	Yes	<u>\$ 419,510</u>	<u>\$ 419,510</u>	<u>\$ 419,510</u>	4.67~5.31	2.	-	Working capital	-	None	-	1,780,623 (Note 1)	2,670,935 (Note 2)
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	<u>\$ 137,148</u>	<u>\$ 137,148</u>	<u>\$ 137,148</u>	7.23~7.70	2.	-	Working capital	-	None	-	868,440 (Note 1)	1,302,660 (Note 2)

Note 1: Attributable to 20% equity of the Company's owners, 150% equity of HK International HK, 100% equity of Everest Textile Shanghai, and 100% equity of Everest Textile USA, LLC.

Note 2: Attributable to 40% equity of the Company's owners, 250% equity of HK International HK, 150% equity of Everest Textile Shanghai, and 150% equity of Everest Textile USA, LLC.

Note 3: Nature of the loan:

(1) Please complete item 1. for a borrower having transactions with the Group.

(2) Please complete item 2. for a borrower who has short-term financing requirements.

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

Endorsement and Guarantee Provided for Others

January 1 to September 30, 2023

Table 2

Unit: NT\$ Thousands

Code	Name of the endorsement and guarantee provider	Parties being endorsed and guaranteed		Limit of endorsement and guarantee for a single entity (Note 1)	Maximum balance of endorsement and guarantee for the period	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	\$ 4,889,520	\$ 64,540	\$ 64,540	\$ 20,007	\$ -	0.99		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	"	4,889,520	322,700	322,700	2,647	-	4.95		Y	N	N
		Everest International Development Co., Ltd.	"	4,889,520	540,000	540,000	341,000	-	8.28		Y	N	N
		Everest Textile USA, LLC.	"	4,889,520	3,130,190	2,162,090	819,658	-	33.16		Y	N	N
		Everest International (HK) Limited	"	4,889,520	<u>1,484,420</u>	<u>1,484,420</u>	<u>687,351</u>	-	<u>22.77</u>		Y	N	N
					<u>\$ 5,541,850</u>	<u>\$ 4,573,750</u>	<u>\$ 1,870,663</u>		<u>70.15</u>	<u>\$ 9,779,040</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 Subsidiaries
Details of Securities Held at the End of the Period
September 30, 2023

Table 3

Unit: NT\$ Thousands

Company held	Category and name of securities	Relationship with the issuer of securities	Accounting item	End of the period				Remarks
				Unit/number of shares	Carrying amount	Ratio (%)	Market value/net equity value	
The Company	Jin Lead Industrial Co., Ltd. - shares of an unlisted company	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	526,800	\$ 5,252	19	\$ 5,252	
	Dah Chung Bills Finance Corp. - shares of a listed company	None	"	1,204	<u>15</u>	-	<u>15</u>	
					<u>\$ 5,267</u>		<u>\$ 5,267</u>	
Everest International Develop Investment Co., Ltd.	Everest Textile - shares of a listed company	Parent Company	Financial assets at fair value through other comprehensive income - non-current	20,177,533	<u>\$ 154,358</u>	2.9	<u>\$ 154,358</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 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, 2023

Table 4

Unit: NT\$ Thousands

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason transaction conditions differ from general transactions		Notes and trade receivables (payables)		Remarks
			Purchase (sales) of goods	Amount	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance	Ratio to total receivables (payables) (%)	
The Company	Everest Textile (Thailand) Co., Ltd.	Subsidiary	Outsourced processing	\$ 447,258	77	Settle every 1 months	No comparable goods under the same category	—	(\$ 13,729)	(4)	Note
	Far Eastern New Century Corporation (FENC)	Subsidiary Company evaluates the Company using the equity method	Sales	(188,982)	(5)	Settle every 6 months	Equivalent	Equivalent	-	-	Note
			Purchases	143,359	9	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(32,084)	(8)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method	Purchases	116,327	8	Settle every 1 months	Equivalent	Equivalent	(12,984)	(3)	
	Jin Lead Industrial Co., Ltd.	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Purchases	122,942	8	Settle every 1 months	Equivalent	Equivalent	(10,693)	(3)	
Everest Textile (Shanghai) Ltd.	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(144,495)	(4)	Settle every 6 months	Equivalent	Equivalent	18,653	4	Note
	Everest Textile USA, LLC.	Subsidiary	Purchases	401,516	26	1 to 2 months	Equivalent	Equivalent	(19,243)	(5)	Note
	Everest International (HK) Limited	Fellow subsidiary	Sales	(530,052)	(44)	Settle every 2 to 4 months	Equivalent	Equivalent	88,121	28	Note
Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	Fellow subsidiary	Sales	(139,392)	(18)	1 to 2 months	Equivalent	Equivalent	7,465	23	Note

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

Everest Textile Co., Ltd. and Subsidiaries
Receivables from Related Parties Achieving NT\$100,000 Thousand or Reaching 20% of Its Paid-in Capital and Above
September 30, 2023

Table 5

Unit: NT\$ Thousands

Company with book receivables	Counterparty	Relationship	Balance of receivables from the related party (Note 3)	Turnover rate	Overdue receivables from related parties		Amount recovered from related parties after expiry	Allowance for losses provided
					Amount	Method of disposal		
The Company	Everest Apparel (Haiti) S.A.	Subsidiary	\$ 376,004	Note 1	\$ -	—	\$ 262,082	\$ -
	Far Eastern (Vietnam) Co., Ltd.	Other related parties	262,082	Note 2	-	—	262,082	-
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	444,868	Note 1	-	—	69,916	-
Everest Textile USA, LLC.	Everest Development USA, LLC.	Fellow subsidiary	146,309	Note 1	-	—	-	-
Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	636,739	Note 1	-	—	-	-
	Everest Apparel (Haiti) S.A.	Fellow subsidiary	520,468	Note 1	-	—	520,468	-
	Everest Apparel (HK) Limited	Fellow subsidiary	121,109	Note 1	-	—	-	-
Everest Apparel (Haiti) S.A.	The Company	Parent Company	108,584	Note 2	-	—	108,584	-

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

Note 2: Payments from the sale of real estate, factories, and equipment are not included in turnover ratio calculations.

Note 3: Except for the accounts receivable from Far Eastern New Apparel (Vietnam) Co., Ltd., the rest have been written off in the preparation of the consolidated financial statements.

Everest Textile Co., Ltd. and Subsidiaries
Information on Invested Companies
January 1 to September 30, 2023

Table 6

Unit: NT\$ Thousands

Name of the investing company	Name of the investee Companies	Location	Principal business activities	Initial investment amount		Held at the end of the period			Investee Companies Net Loss for the Period	Investment (loss) gain recognized for the period Investment (loss) gain	Remarks
				End of the period	End of previous year	Number of shares	Ratio (%)	Carrying amount			
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	\$955,893Note	\$ 955,893	1,300	100	\$ 3,112,657	\$ 141,595	\$ 141,595	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	1,998,400	1,998,400	191,400,000	100	(147,616) (註 1)	(455,514)	(455,514)	Note 3
Everest Investment (Holding) Ltd.	Everest Textile (HK) Co., Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	813	(243)	(243)	Note 3
	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	1,359,242	99,708		Note 3
Everest International Develop Investment Co., Ltd.	Everest International (HK) Limited	Hong Kong	Investment and holdings	1,260,433	1,260,433	41,300,000	100	1,085,270	(62,274)		Note 3
Everest International (HK) Limited	Everest Apparel (HK) Limited	Hong Kong	Investment and holdings	848,467	848,467	27,580,000	100	(864,846)	(386,740)		Note 3
	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,260,433	1,260,433	1,000	100	921,737	(78,841)		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	46,821	(8,377)		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	868,440	(70,747)		Note 3
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	(92,214)	(116,734)		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(651,485)	(265,061)		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 amounted to NT\$332,836.

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

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

Everest Textile Co., Ltd. and Subsidiaries
Information on Investments in Mainland China
January 1 to September 30, 2023

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 (loss) gain of the investee company	The Company's direct or indirect investment shareholding (%)	Investment (loss) gain recognized for the period (Notes 3 and 4)	Carrying amount of investments at the end of the period	Investment gains repatriated at the end of the period
					Remitted	Recovered						
Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulsion chemical fibers and high-grade textile cloth	\$ 968,100 (USD\$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	\$ 980,349 (USD\$30,000 thousand)	\$ -	\$ -	\$ 980,349 (USD\$30,000 thousand)	\$ 45,227	100	\$ 43,008	\$ 1,780,623	\$ -

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by the Ministry of Economic Affairs Investment Committee (Note 2)	Investment limits stated by MOEAIC regarding investments in Mainland China (Note 1)
\$ 968,100 (USD\$30,000 thousand)	\$ 968,100 (USD\$30,000 thousand)	\$ 3,911,616

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 ($\$6,519,360 \times 60\% = \$3,911,616$).

Note 2: The amount is translated at a currency rate where USD\$1 equals NT\$32.27.

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 unrealized gross sales of goods amounted to NT\$2, 219 thousand arising from the side current transactions.

Everest Textile Co., Ltd. and 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, 2023

Table 8

Unit: NT\$ Thousands

Purchasing (selling) Company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction amount differ from general transactions		Notes and trade receivables (payables)		Unrealized gains (losses) (Note)
			Purchase (sales) of goods	Amount (Note)	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance (Note)	Ratio to total notes and trade receivables (payables) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(\$ 144,495)	(4)	Settle every 6 months	Equivalent	Equivalent	\$ 18,653	4	\$ 7,182
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(530,052)	(44)	Settle every 2 to 4 months	Equivalent	Equivalent	88,121	28	(2,389)
Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	Fellow subsidiary	Sales	(62,204)	(5)	Settle every 2 to 4 months	Equivalent	Equivalent	20,327	7	-

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

Everest Textile Co., Ltd. and Subsidiaries

Business Relationships and Status of Significant Transactions between the Parent Company and Subsidiaries and between the Respective Subsidiaries.

January 1 to September 30, 2023

Table 9

Unit: NT\$ Thousands

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	\$ 188,982	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3		
				manufacturing cost	447,258	No comparable goods under the same category; payment terms shall be settled every 1 month.	8		
				Purchase of machine supplies on behalf of others	35,067	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1		
				Trade payables to related parties	13,729		-		
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	144,495	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3		
				Trade receivables from related parties	18,653		-		
		Everest Textile USA, LLC.	1	Sales of goods	67,343	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1		
				Purchase of goods	401,516	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	7		
		Everest International (HK) Limited	1	Trade payables to related parties	19,243		-		
				Selling and Marketing Expenses	19,690	Price negotiation is adopted and payments are offset against other receivables	-		
				Purchase of goods	34,603	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	1		
		Everest Apparel (Haiti) S.A.	1	Other receivables from related parties	14,675		-		
				manufacturing cost	51,140	No comparable goods under the same category; payment terms shall be settled every 1 month.	1		
				Other receivables from related parties	376,004		3		
purchase of fixed assets	262,082				5				
1	Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	3	Other payables to related parties	108,584		1		
				Sales of goods	530,052	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	10		
				Trade receivables from related parties	88,121		1		
2	Everest International (HK) Limited	Everest Textile (Thailand) Co., Ltd.	3	Other receivables from related parties	444,868		3		
				Sales	14,900	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	-		
				Other receivables from related parties	121,109		1		
3	Everest Textile USA, LLC.	Everest Apparel (HK) Limited	3	Other receivables from related parties	520,468		4		
				Everest Apparel (Haiti) S.A.	3	Other receivables from related parties	636,739		5
				Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	139,392	The transactions are made at general transaction prices; collection terms shall be settled every 1 to 2 months.	3
4	Everest Textile (Thailand) Co., Ltd.	Everest Textile (Thailand) Co., Ltd.	3	Other receivables from related parties	146,309		1		
				Trade receivables from related parties	20,327		-		
		Everest Apparel (Ethiopia) S.C.	3	Sales of goods	62,204	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	1		
				Purchase of goods	46,846	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	1		
				Trade receivables from related parties	32,275		-		
		Other receivables from related parties	24,933		-				
		Trade payables to related parties	67,108		-				

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

Everest Textile Co., Ltd.
Information on Major Shareholders
September 30, 2023

Table 10

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