

Stock Code: 1460

EVEREST TEXTILE CO., LTD.
AND ITS SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

§TABLE OF CONTENTS§

Contents	Page	No. in Notes to the Financial Statements
I. Cover Page	1	-
II. Table of Contents	2	-
III. Representation Letter of Consolidated Financial Statements of Affiliates	3	-
IV. Independent Auditors' Report	4-7	-
V. Consolidated Balance Sheets	8	-
VI. Consolidated Statements of Comprehensive Income	9	-
VII. Consolidated Statements of Changes in Equity	10	-
VIII. Consolidated Statements of Cash Flows	11	-
IX. Notes to the Consolidated Financial Statements		
1. Company History	12	1
2. Date and Procedures of Approval of the Financial Statements	12	2
3. Application of New and Amended Standards and Interpretations	12-13	3
4. Summary of Significant Accounting Policies	13-23	4
5. Significant Accounting Judgments and Assumptions, and Key Sources of Estimation Uncertainty	23	5
6. Details of Significant Accounts	24-51	6-26
7. Related-Party Transactions	51-54	27
8. Assets Pledged as Security	54	28
9. Significant Contingent Liabilities and Unrecognized Contractual Commitments	55	29
10. Significant Disaster Loss	55	30
11. Significant Events After the Balance Sheet Date		-
12. Others	56-57	31
13. Supplemental Disclosures		
(1) Information on Significant Transactions	57, 61-65, 69	32
(2) Information on Investees	58, 66	32
(3) Information on Investment in Mainland China	58, 64-65, 67-69	32
(4) Information on Major Shareholders	58, 71	32
14. Segment Information	59-60	33

REPRESENTATION LETTER OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the Company's consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 (commencing from January 1 to December 31, 2023) are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in IFRS 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, no separate set of consolidated financial statements of affiliates would be otherwise prepared.

Sincerely,

Name of the company: Everest Textile Co., Ltd.

Chairman: Johnny Hih

March 6, 2024

INDEPENDENT AUDITORS' REPORT

To: Everest Textile Co., Ltd.,

Audit Opinion

We have audited the consolidated balance sheets of Everest Textile Co., Ltd. and its subsidiaries (the "Group") as of December 31, 2023 and 2022, the statements of comprehensive income for the years ended December 31, 2023 and 2022, statements of changes in equity, statements of cash flows for the years then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors (refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of ROC.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the Group's financial statements for the year ended December 31, 2023, are as follows:

The Group is mainly engaged in the manufacturing and sales of various textiles such as chemical fibers, cotton and blended fabrics. The sales revenue of filament fabric of the Group has a

significant impact on the overall operating income and profit of the Group, and therefore we have identified the authenticity of the sales revenue of filament fabric from specific customers of the Group as a key audit matter.

With respect to the key audit matter mentioned above, we performed the following audit procedures:

1. We reviewed the relevant internal control mechanism and operating procedures of the sales transaction cycle and designed the internal control audit procedures accordingly to assess the effectiveness of the internal control operations.
2. We conducted sample checking on the sales revenue of filament fabric from the Group's specific customers and checked the shipping documents, customs documents and payment documents in order to verify the recognition and payment status of its revenue as well as confirm the authenticity of the sales transactions.

Other Matters

The financial statements of Everest USA Holdings, Inc., Everest Development USA, LLC and Everest Textile USA, LLC for the years 2023 and 2022, which are included in the consolidated financial statements of Everest Textile Co., Ltd. and its subsidiaries, were audited by other accountants. As of December 31, 2023 and 2022, the total assets of the above subsidiaries were NT\$910,294 thousand and NT\$1,350,743 thousand, respectively, and accounted for 7% and 9% of the consolidated total assets. The net operating revenue was NT\$290,695 thousand and NT\$236,957 thousand, respectively, and accounted for 4% and 2% of the net consolidated operating revenue for the years ended December 31, 2023 and 2022, respectively.

The parent company only financial statements of Everest Textile Co., Ltd. for the years 2023 and 2022 have been prepared and audited by our accountants with an unqualified opinion and an other matter paragraph, which are available for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing related matters, and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the ROC will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements can arise from fraud or error. If it could have been reasonably anticipated that misstated amounts, individually or in aggregate, could have influenced the economic decisions made by the users of the Consolidated Financial Statements, it will be deemed as material.

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or businesses within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governing body with a statement that the personnel of the firm to which the auditor belongs have complied with the independence requirements of the code of professional ethics for accountants, and communicates with the governing body all relationships and other matters that may reasonably be thought to bear on the auditor's independence (including related safeguards).

From the matters communicated with those charged with governance, we determined key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2023. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

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

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

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

Unit: NT\$ Thousands

Code	Assets	December 31, 2023		December 31, 2022									
		Amount	%	Amount	%								
	Current Assets												
1100	Cash and Cash Equivalents (Note 4 and 6)	\$ 708,976	6	\$ 547,231	4	2219	Other Payables (Note 18)	477,762	4	432,343	3		
1110	Financial Assets at Fair Value Through Profit or Loss – Current (Note 4 and 7)	4,612	-	189	-	2220	Other Payables to Related Parties (Note 27)	36,166	-	22,205	-		
1150	Notes Receivable (Note 4, 10, 21, and 27)	12,112	-	54,553	-	2230	Current Income Tax Liabilities (Note 23)	40,507	-	20,682	-		
1170	Trade Receivables (Note 4, 21, and 27)	762,402	6	1,149,237	8	2250	Refund Liabilities – Current	7,154	-	7,154	-		
1200	Other Receivables (Note 4 and 27)	33,698	-	452,048	3	2280	Lease Liabilities – Current (Note 4, 14, and 27)	76,920	1	105,778	1		
1220	Current Income Tax Assets (Note 23)	7,804	-	11,072	-	2322	Long-Term Borrowings Due Within One Year (Note 16, 27, and 28)	380,000	3	490,000	3		
130X	Inventories (Note 4 and 11)	4,989,685	41	6,148,768	41	2399	Other Current Liabilities (Note 4 and 18)	29,399	-	43,184	-		
1470	Other Current Assets (Note 15)	120,660	1	302,909	2	21XX	Total Current Liabilities	5,514,243	44	6,383,913	43		
11XX	Total Current Assets	6,639,949	54	8,666,007	58		Non-Current Liabilities						
	Non-Current Assets					2540	Long-Term Borrowings (Note 16, 27 and 28)	438,615	4	885,918	6		
1517	Financial Assets at Fair Value Through Other Comprehensive Income – Non-Current (Note 4 and 8)	5,494	-	5,267	-	2570	Deferred Income Tax Liabilities (Note 4 and 23)	179,276	1	169,777	1		
1600	Property, Plant and Equipment (Note 4, 13, 27 and 28)	5,050,756	41	5,546,833	37	2580	Lease Liabilities – Non-Current (Note 4, 14, and 27)	339,602	3	439,248	3		
1755	Right-Of-Use Assets (Note 4 and 14)	363,393	3	490,919	3	2630	Long-term deferred revenue (Note 4)	5,625	-	-	-		
1840	Deferred Income Tax Assets (Note 4 and 23)	132,072	1	130,799	1	2640	Net Defined Benefit Liabilities – Non-Current (Note 4 and 19)	-	-	42,937	-		
1975	Net defined benefit assets – non-current (Note 4 and 19)	5,381	-	-	-	2645	Guarantee Deposits	770	-	720	-		
1990	Other Non-Current Assets (Note 9, 15, and 28)	149,228	1	137,804	1	2670	Other non-current liabilities	333	-	402	-		
15XX	Total Non-Current Assets	5,706,324	46	6,311,622	42	25XX	Total Non-Current Liabilities	964,221	8	1,539,002	10		
1XXX	Total Assets	12,346,273	100	14,977,629	100	2XXX	Total Liabilities	6,478,464	52	7,922,915	53		
							Equity Attributable to Owners of the Company (Note 20)						
							Share Capital						
						3110	Ordinary Shares	6,946,434	56	6,946,434	46		
						3200	Capital Surplus	115,943	1	115,943	1		
							Retained Earnings						
						3310	Legal Reserve	198,758	2	192,358	1		
						3320	Special Reserve	305,704	2	248,096	2		
						3350	Undistributed Earnings (Deficits to Be Compensated)	(1,173,977)	(9)	64,008	-		
						3300	Net amount of retained earnings (accumulated deficit)	(669,515)	(5)	504,462	3		
						3400	Other Equity Interest	(192,222)	(1)	(179,296)	(1)		
						3500	Treasury Shares (Note 4)	(332,836)	(3)	(332,836)	(2)		
						31XX	Total Equity Attributable to Owners of the Company	5,867,804	48	7,054,707	47		
						36XX	Non-Controlling Interests	5	-	7	-		
						3XXX	Total Equity	5,867,809	48	7,054,714	47		
							Total Liabilities and Equity	12,346,273	100	14,977,629	100		

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 6, 2024)

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

For the years ended December 31, 2023 and 2022

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

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating Revenue (Note 4, 21, and 27)	\$ 7,838,642	100	\$ 9,807,785	100
5000	Operating Costs (Note 11, 13, 19, 22, and 27)	<u>7,532,944</u>	<u>96</u>	<u>8,115,340</u>	<u>83</u>
5900	Gross Profit	<u>305,698</u>	<u>4</u>	<u>1,692,445</u>	<u>17</u>
	Operating Expenses (Note 10, 19, 22 and 27)				
6100	Selling and Marketing Expenses	541,306	7	780,568	8
6200	Administrative Expenses	489,880	6	472,589	5
6300	Research and Development Expenses	229,412	3	238,475	2
6450	Expected Credit Impairment Loss	<u>82,549</u>	<u>1</u>	<u>106,612</u>	<u>1</u>
6000	Total Operating Expenses	<u>1,343,147</u>	<u>17</u>	<u>1,598,244</u>	<u>16</u>
6500	Net Amount of Other Operating Income and Expenses (Note 13, 22 and 27)	<u>5,272</u>	<u>-</u>	<u>3,251</u>	<u>-</u>
6900	Net Operating Profits (Losses)	(<u>1,032,177</u>)	(<u>13</u>)	<u>97,452</u>	<u>1</u>
	Non-Operating Income and Expenses (Note 4, 7, 11, 22 and 27)				
7100	Interest Income	6,589	-	5,151	-
7010	Other Income	86,719	1	73,090	1
7020	Other Gains and Losses	(31,940)	-	69,529	1
7510	Interest Expenses	(<u>190,543</u>)	(<u>3</u>)	(<u>133,841</u>)	(<u>2</u>)
7000	Total Non-Operating Income and Expenses	(<u>129,175</u>)	(<u>2</u>)	<u>13,929</u>	<u>-</u>
7900	Net Profit (Loss) Before Income Tax	(1,161,352)	(15)	111,381	1
7950	Income Tax Expense (Note 4 and 23)	<u>50,620</u>	<u>-</u>	<u>89,539</u>	<u>1</u>
8200	Net Profit (Loss) for the Year	(<u>1,211,972</u>)	(<u>15</u>)	<u>21,842</u>	<u>-</u>
	Other Comprehensive Income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Re-measurement of defined benefit plans (Note 19)	\$ 47,492	-	\$ 35,327	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income	227	-	4,598	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(<u>9,499</u>)	<u>-</u>	(<u>7,065</u>)	<u>-</u>
		<u>38,220</u>	<u>-</u>	<u>32,860</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(<u>13,153</u>)	<u>-</u>	<u>183,159</u>	<u>2</u>
8300	Other comprehensive income(net amount after tax) for the year	<u>25,067</u>	<u>-</u>	<u>216,019</u>	<u>2</u>
8500	Total Comprehensive Income for the Year	(<u>\$ 1,186,905</u>)	(<u>15</u>)	<u>\$ 237,861</u>	<u>2</u>
8600	Net Profit (Loss) Attributable to:				
8610	Owners of the Company	(\$ 1,211,970)	(15)	\$ 21,844	-
8620	Non-Controlling Interests	(<u>2</u>)	<u>-</u>	(<u>2</u>)	<u>-</u>
		(<u>\$ 1,211,972</u>)	(<u>15</u>)	<u>\$ 21,842</u>	<u>-</u>
8700	Total Comprehensive Income Attributable to:				
8710	Owners of the Company	(\$ 1,186,903)	(15)	\$ 237,863	2
8720	Non-Controlling Interests	(<u>2</u>)	<u>-</u>	(<u>2</u>)	<u>-</u>
		(<u>\$ 1,186,905</u>)	(<u>15</u>)	<u>\$ 237,861</u>	<u>2</u>
	Earnings (Net Loss) per Share (Note 24)				
9710	Basic	(\$ 1.80)		\$ 0.03	
9810	Diluted	(1.80)		0.03	

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

(Refer to Deloitte & Touche auditors' report dated March 6, 2024)

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

For the years ended December 31, 2023 and 2022

Unit: Unit: NT\$ Thousands

		Equity attributable to owners of the Company											
		Share Capital		Retained Earnings (Accumulated Deficit)			Other Equity Items						
Code		Capital Stock - Common 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 or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non- Controlling Interests	Total Equity
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) for The Year Ended December 31, 2022	-	-	-	-	21,844	-	-	-	-	21,844	(2)	21,842
D3	Other Comprehensive Income after tax for the Year Ended December 31, 2022	-	-	-	-	28,262	183,159	4,598	187,757	-	216,019	-	216,019
D5	Total Comprehensive Income for the Year Ended December 31, 2022	-	-	-	-	50,106	183,159	4,598	187,757	-	237,863	(2)	237,861
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-	-	-	-
Z1	Balance on December 31, 2022	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 for the year ended December 31, 2023	-	-	-	-	(1,211,970)	-	-	-	-	(1,211,970)	(2)	(1,211,972)
D3	Other Comprehensive Income after tax for the year ended December 31, 2023	-	-	-	-	37,993	(13,153)	227	(12,926)	-	25,067	-	25,067
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	(1,173,977)	(13,153)	227	(12,926)	-	(1,186,903)	(2)	(1,186,905)
Z1	Balance on December 31, 2023	\$6,946,434	\$ 115,943	\$ 198,758	\$ 305,704	(\$1,173,977)	(\$ 196,421)	\$ 4,199	(\$ 192,222)	(\$ 332,836)	\$5,867,804	\$ 5	\$5,867,809

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 6, 2024)

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

For the years ended December 31, 2023 and 2022

Unit: Unit: NT\$ Thousands

Code		2023	2022
	Cash Flows From Operating Activities		
A10000	Net Profit (Loss) Before Tax for the Year	(\$ 1,161,352)	\$ 111,381
	Income and Expense Items		
A20100	Depreciation expenses	798,246	808,924
A20300	Expected credit impairment loss	82,549	106,612
A20900	Interest expenses	190,543	133,841
A21200	Interest income	(6,589)	(5,151)
A21300	Dividend income	(791)	(1)
A22500	Gains on disposal of property, plant and equipment	(5,272)	(3,251)
A23600	Reversal of impairment loss on property, plant and equipment	(6,966)	-
A23700	Loss for market price decline and obsolete and slow-moving inventories	92,828	-
A24100	Net foreign exchange loss (gain)	17,173	(24,024)
A29900	Fire damage	-	430,808
A29900	Gains from the early termination of lease liabilities	(829)	(9,933)
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes receivable	42,441	7,840
A31150	Trade receivables	301,875	701,508
A31180	Other receivables	418,362	(395,187)
A31200	Inventories	1,074,936	(729,354)
A31240	Other current assets	182,626	(168,296)
A31990	Financial assets at fair value through profit or loss	(4,423)	4,873
A32125	Contract liabilities	(27,805)	3,227
A32130	Notes payable	10,342	(61,714)
A32140	Notes payable to related parties	25,212	(2,289)
A32150	Trade payables	(109,549)	(240,927)
A32160	Trade payables to related parties	19,138	(30,858)
A32180	Other payables	46,822	(38,248)
A32190	Other payables to related parties	13,961	(30,511)
A32230	Other current liabilities	(13,072)	28,577
A32240	Net defined benefit liabilities – non-current	(826)	1,645
A32250	Financial liabilities at fair value through profit or loss	(169)	218
A32990	Long-term deferred revenue	5,625	-
A32990	Other non-current liabilities	(69)	(72)
A33000	Cash Generated from Operations	1,984,967	599,638
A33100	Interest Received	\$ 6,803	\$ 4,401
A33300	Interest Paid	(199,341)	(123,909)
A33500	Income Tax Paid	(29,276)	(142,809)
AAAA	Net Cash Inflows from Operating Activities	<u>1,763,153</u>	<u>337,321</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	(425,531)	(591,978)
B02800	Proceeds from disposal of property, plant and equipment	256,017	5,975
B03700	Increase in refundable deposits	(679)	(1,603)
B03800	Decrease in refundable deposits	1,810	1,613
B07600	Dividends received	791	1
BBBB	Net Cash Outflows from Investing Activities	<u>(167,592)</u>	<u>(501,787)</u>
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings	12,638,997	11,612,379
C00200	Decrease in short-term borrowings	(13,862,820)	(11,082,924)
C00500	Increase in short-term notes and bills payable	14,633,623	12,799,727
C00600	Decrease in short-term notes and bills payable	(14,153,743)	(12,830,055)
C01600	Proceeds from long-term borrowings	1,093,221	1,787,627
C01700	Repayments of long-term borrowings	(1,647,500)	(1,960,000)
C03000	Increase in guarantee deposits	3,703	2,873
C03100	Decrease in guarantee deposits	(4,316)	(4,773)
C04020	Lease principal repayments	(111,876)	(120,661)
CCCC	Net Cash Inflows (Outflows) From Financing Activities	<u>(1,410,711)</u>	<u>204,193</u>
DDDD	Effects of Exchange Rate Changes on Cash and Cash Equivalents	<u>(23,105)</u>	<u>25,601</u>
EEEE	Net Increase in Cash and Cash Equivalents	161,745	65,328
E00100	Beginning Balance of Cash and Cash Equivalents	<u>547,231</u>	<u>481,903</u>
E00200	Ending Balance of Cash and Cash Equivalents	<u>\$ 708,976</u>	<u>\$ 547,231</u>

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

(Refer to Deloitte & Touche auditors' report dated March 6, 2024)

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

For the years ended December 31, 2023 and 2022

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

1. Company History

Everest Textile Co., Ltd. (the “Company”) was incorporated in February 1988 and commenced business in October of the same year. 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 and export trading of the above-mentioned products and products related to yarn materials and garments.

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

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

2. Date and Procedures of Approval of the Financial Statements

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

3. Application of New and Amended Standards and Interpretations

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

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

(2) The IFRS endorsed by the FSC for application starting from 2024:

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendment to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 01, 2024
Amendment to IAS 1 “Non-current Liabilities with Covenants”	January 01, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance 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: The amendment exempts some disclosure requirements when first applied.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the above amendments to the standards and interpretations will not have a significant impact on its financial position and financial performance.

- (3) IFRS that have been issued by the IASB 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”	To be determined
IFRS 17 “Insurance Contracts”	January 01, 2023
Amendment to IFRS 17	January 01, 2023
Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information”	January 01, 2023
Amendment to IAS 21 “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: Effective for annual reporting periods beginning on or after January 1, 2025. On initial application of the amendment, the effect is recognized in retained earnings at the date of initial application. When the Group uses a non-functional currency as its presentation currency, the effect is adjusted to the exchange differences on translating foreign operations under equity at the date of initial application.

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

4. Summary of Significant Accounting Policies

- (1) Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS endorsed and issued into effect by FSC.

- (2) Basis of Preparation

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

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

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

(3) Standards for the Classification of Current and Non-current Assets and Liabilities

Current assets include:

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

Current liabilities include:

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

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

(4) 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. At the time of preparation of the consolidated financial statements, all intra-group transactions, account balances, income, and expenses are eliminated in full. 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.

(5) Foreign Currencies

In preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period, except for the changes in the fair value are recognized in other comprehensive income, in which cases, the exchange differences arising thereof are also recognized in other comprehensive income.

Non-monetary items measured at historical costs that are denominated in foreign currencies are translated using the exchange rate on the date of the transaction without re-translation.

In preparing the consolidated financial statements, assets and liabilities of overseas operating institutions (including subsidiaries in other countries that have or use currencies that are different from that of the Company) are translated into the New Taiwan Dollar at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting translation differences are recognized in other comprehensive income and attributable to the owners of the Company and non-controlling interests of the Company respectively.

(6) Inventories

Inventories consist of raw materials, supplies, finished goods, and work in progress. Inventory is measured by the lower of cost and net realizable value. When comparing cost and net realizable value, except for similar stock in hand, it is based on individual items. The net realizable value refers to the balance of the estimated selling price in normal circumstances after deducting the estimated cost required till completion and the estimated cost to complete the sale. The weighted-average method is adopted for the calculation of inventory costs.

(7) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at costs less accumulated impairment losses. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are measured at cost or net realization value, whichever is

lower, before reaching the expected use status, and their sales price and cost are recognized in profit or loss. Such assets are classified into the appropriate categories of property, plant and equipment and depreciated when they are completed and ready for their intended use.

Except for self-owned land, the remaining property, plant and equipment are recognized using the straight-line method during its useful life. Each significant part is depreciated separately. The Group reviews estimated useful lives, residual values, and depreciation methods at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net consideration from the disposal and the carrying amount of the asset is recognized in profit or loss.

(8) Impairment of Property, Plant and Equipment, and Right-Of-Use Assets

At the end of each reporting period, the Group determines whether there is any indication that property, plant and equipment, and right-of-use assets have suffered any impairment loss. If any impairment indication exists, the Group estimates the recoverable amount of the asset. When it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less selling costs and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or asset related to contract costs shall be increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset, cash-generating unit or contract cost asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

(9) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

Upon initial recognition, apart from financial assets and financial liabilities measured at fair value through profit or loss, financial assets and financial liabilities are measured at fair value, plus transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately as profit or loss.

1. Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement Categories

The types of financial assets held by the Group are financial assets at fair value through profit or loss, financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, and its gains or losses arising from re-measurement are recognized in other gains and losses. Please refer to Note 26 for the methods to determine fair value.

B. Financial assets at amortized cost

When the Group's investments in financial assets fulfill the following conditions at the same time, the investment shall be categorized as financial assets at amortized cost:

- a. Held under a certain business model, and the purpose of the model is holding such financial assets to collect the contractual cash flows; and
- b. The contractual terms give rise to cash flows on specified dates that are solely used for payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost (including cash and cash equivalents, receivables at amortized cost, other receivables, and refundable deposits (stated as other current and non-current assets)) are measured at the gross carrying amount determined through the effective interest method less amortized costs of any impairment losses. Any exchange gain or loss of foreign currencies is recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total gross carrying amount of financial assets.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties or defaults, and the debtor is likely

to claim bankruptcy or other financial restructurings, or disappearance of an active market for the financial asset due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, and readily convertible into fixed amounts of cash with minimal risk of fluctuation in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investments in equity instruments measured at fair value through other comprehensive income

Upon initial recognition, the Group may make an irrevocable election to designate the investments in equity instruments that are neither held for trading nor recognized as contingent consideration to a business acquisition to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, and any subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss upon their disposal; instead, they will be directly transferred to retained earnings.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is established, unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of Financial Assets

At the end of each reporting period, the Group evaluates the impairment loss of financial assets at amortized cost (including trade receivables) based on the expected credit loss.

Loss allowances are recognized against trade receivables based on the lifetime expected credit loss. For other financial instruments, the Group recognizes their loss allowance at an amount equal to 12-month expected credit losses if their credit risk has not increased significantly since initial recognition, or otherwise, their lifetime expected credit losses.

An expected credit loss is a weighted-average credit loss with the risks of default as weights. The 12-month expected credit loss on a financial instrument represents the portion of its lifetime expected credit loss that is expected to result from possible default events within 12 months after the end of the reporting period, whereas the lifetime expected credit loss represents the

expected credit loss that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group deems the occurrence of the following conditions as a default on financial assets, without considering the collateral held:

- A. There is any internal or external information indicating that it is impossible for the debtor to settle the debt.
- B. Where the account ages more than 365 days, unless there is any reasonable and authenticated information indicating that the deferred default basis is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account.

(3) Derecognition of Financial Assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when the financial asset is transferred, and nearly all the risks and rewards of ownership of the asset are transferred to other entities.

On derecognition of financial assets at amortized cost in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. On derecognition of equity instruments at fair value through other comprehensive income its entirety, the cumulative gain or loss is directly transferred to retained earnings, instead of reclassifying as profit or loss.

2. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of Financial Liabilities

On derecognition of financial liabilities, the differences between its carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognized as profit or loss.

3. Derivative Instruments

The derivatives into which the Group entered include forward exchange contract to manage the foreign exchange rate risk of the Group.

Derivatives are initially recognized at fair value upon entering into a derivative contract, and are subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from the subsequent measurement are recognized directly in profit or loss. However, for derivatives that are designated as effective hedging instruments, the timing of their recognition in profit or loss will depend on the nature of the hedging relationship. When its fair value is positive, the derivative is recognized as a financial asset; when its fair value is negative, the derivative is recognized as a financial liability.

(10) Treasury Shares

The Company's shares held by subsidiaries are stated at cost and shown as a deduction in equity attributable to owners of the Company.

(11) Income Recognition

The Group allocates the transaction price to each performance obligation after the customer had identified the performance obligations and recognizes its income upon the fulfillment of each performance obligation.

Sales of goods are generated from the sales of textiles, raw materials for yards, and garments. Upon the fulfillment of trading conditions for textiles, raw materials for yards, and garments, the customer has the right to the pricing and use of the commodities, assumes the primary responsibility of re-sale, and bears the risk of obsolescence; the Group recognizes its income and trade receivables at such time.

For processing subcontract, the control over the ownership of the processing products is not transferred; therefore, the Group does not recognize the income thereof.

(12) Lease

The Group evaluates whether a contract is (or includes) a lease on the contract establishment date.

Except for lease payment of low-value assets lease and short-term leases to which exemption is applicable are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease's starting date.

Right-of-use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation, and adjusted for any re-measurements of the lease liability. Right-of-use assets are separately presented in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful lives, or to the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments. When the interest rate implicit in a lease can be easily determined, lease payments are discounted using the interest rate. If the interest rate cannot be easily determined, lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are amortized over the lease term.

(13) Government Grants

Government grants are only recognized when they can be reasonably assured that the Group would comply with the conditions imposed for the government grants and that such grants can be received.

Government grants related to revenue are recognized in other income on a systematic basis during the period when the Group recognizes the relevant costs that such grants are intended to compensate as expenses.

Government grants conditional upon a company purchasing, constructing or otherwise acquiring non-current assets are recognized as deferred income and transferred to profit or loss on a systematic and reasonable basis over the useful life of the related assets.

If the government grants are used to compensate fees or losses that had occurred, or are given to the Group for the purpose of immediate financial support without related future costs, such grants may be recognized in profit or loss within the collectible period.

(14) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their capital expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(15) Employee Benefits

1. Short-Term Employee Benefits

Liabilities recognized in respect of short-term employee benefits are measured at the non-discounted amount of the benefits expected to be paid in exchange for the employees' services.

2. Retirement Benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and re-measurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefits expense when incurred. Re-measurement amounts (including actuarial gains and losses, and the return on plan assets after deducting interest) are recognized in other comprehensive income and included in retained earnings when they occur, and are not subsequently reclassified to profit or loss.

Net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit retirement plan. The net defined benefit asset shall not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(16) Income Tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current Income Tax

The Group determines its current income (losses) according to the regulations established by the governing authority of each income tax reporting region and calculates the income tax payable (recoverable) accordingly.

According to the Income Tax Law of the ROC, an additional income tax of unappropriated earnings is recognized in the year the shareholders approve to retain earnings.

Adjustments to the income tax payables in prior years are accounted for as the current income tax.

2. Deferred Income Tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is probable that there will be taxable income against which deductible temporary differences and tax losses can be utilized.

Deferred income tax liabilities are recognized for temporary taxable differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets related to deductible temporary differences arising from such investments are recognized to the extent that it is probable that sufficient taxable income will be available against which temporary differences can be utilized, and such deductible temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred income tax assets not previously recognized are reviewed at each balance sheet date and increased to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered and the carrying amount to be increased.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled, or the assets are realized. Such tax rate is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

3. Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred income taxes are recognized in other comprehensive income or directly in equity, respectively.

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

When adopting the Group's accounting policies, the management is required to make judgments, estimates, and assumptions for relevant information that are not readily apparent from other sources based on historical experiences and other related factors. Actual results may differ from these estimates.

The accounting policies, estimates and basic assumptions adopted by the Company have been assessed by the management of the Company and there are no significant accounting judgments, estimates and assumptions with uncertainty.

6. Cash and Cash Equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on Hand and Working Capital	\$ 2,105	\$ 5,960
Checks and Demand Deposits in Banks	405,459	397,964
Cash Equivalents (Investments with an Initial Maturity of Less Than 3 Months)		
Bank Time Deposits	<u>301,412</u>	<u>143,307</u>
	<u>\$ 708,976</u>	<u>\$ 547,231</u>

The interest rates of time deposits with original maturities within 3 months were 1.55%~5.31% and 1.90%~1.96% as of December 31, 2023 and 2022, respectively.

7. Financial Instruments at Fair Value Through Profit or Loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial Assets – Current</u>		
Held-for-trading		
Derivatives (not designated for hedging)		
– Forward exchange contracts	<u>\$ 4,612</u>	<u>\$ 189</u>
<u>Financial Liabilities – Current</u>		
Held-for-trading		
Derivatives (not designated for hedging)		
– Forward exchange contracts	<u>\$ 71</u>	<u>\$ 240</u>

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

December 31, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Expiration Period</u>	<u>Contractual Amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	January 4, 2024 to January 12, 2024	USD 11,000/RMB 78,313
Forward foreign exchange sale	USD to NTD	January 5, 2024 to January 26, 2024	USD 5,920/NTD 184,148
Forward foreign exchange sale	USD:THB	January 5, 2024	USD 1,200/THB 41,330

December 31, 2022

<u>Contract Content</u>	<u>Currency</u>	<u>Expiration Period</u>	<u>Contractual Amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	January 9, 2023 to January 19, 2023	USD 9,000/RMB 62,564

For the year 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.

For the years ended December 31, 2023 and 2022, the valuation losses on financial assets and liabilities at fair value through profit or loss were \$8,093 thousand and \$16,484 thousand, respectively, which were included in other gains and losses in the consolidated statements of comprehensive income.

8. Financial Assets at Fair Value through Other Comprehensive Income

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-Current</u>		
Domestic investments		
Unlisted shares		
Jin Lead Industrial Co., Ltd. – ordinary shares	\$ 5,479	\$ 5,252
Dah Chung Bills Finance Corp. – ordinary shares	<u>15</u>	<u>15</u>
	<u>\$ 5,494</u>	<u>\$ 5,267</u>

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

9. Financial Assets at Amortized Cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-Current</u>		
<u>(Accounted for as Other Non-Current Assets)</u>		
Time deposits with original maturities over 3 months	<u>\$ 100</u>	<u>\$ 100</u>

- (1) The interest rates of time deposits with original maturities over 3 months were 1.58% and 1.46% as of December 31, 2023 and 2022, respectively.
- (2) Please refer to Note 28 for the information on pledges of financial assets measured at cost after amortization.

10. Notes Receivable and Trade Receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes Receivable</u>		
Measured at amortized costs		
Gross carrying amount – arising due to operations	\$ <u>12,112</u>	\$ <u>54,553</u>
<u>Trade Receivables</u>		
Measured at amortized costs		
Gross carrying amount	\$ 915,809	\$ 1,275,623
Less: Loss allowances	<u>153,407</u>	<u>126,386</u>
	<u>\$ 762,402</u>	<u>\$ 1,149,237</u>

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

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

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

As of December 31, 2023 and 2022, the Group analyzed the notes receivable based on the number of days overdue, all of which were not overdue, and therefore no expected credit losses were provided for notes receivable.

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

December 31, 2023

	No Indicators of Impairment for the Individual Asset Exists			Indicators of Impairment for the Individual Asset Exist.	Total
	90 Days and Below	91 to 180 Days	181 Days and Above		
Expected credit loss rate	0%~12.22%	0%~37.57%	0%~100%	100%	
Gross carrying amount	\$ 746,001	\$ 16,464	\$ 67,470	\$ 85,874	\$ 915,809
Loss allowances (lifetime expected credit loss)	(9,587)	(460)	(57,486)	(85,874)	(153,407)
Amortized costs	<u>\$ 736,414</u>	<u>\$ 16,004</u>	<u>\$ 9,984</u>	<u>\$ -</u>	<u>\$ 762,402</u>

December 31, 2022

	No Indicators of Impairment for the Individual Asset Exists			Indicators of Impairment for the Individual Asset Exist.	Total
	90 Days and Below	91 to 180 Days	181 Days and Above		
Expected credit loss rate	0%~8.76%	0%~25.71%	0%~100%	100%	
Gross carrying amount	\$ 941,314	\$ 106,210	\$ 142,966	\$ 85,133	\$ 1,275,623
Loss allowances (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>

Changes in loss allowances of trade receivables are as follows:

	<u>2023</u>	<u>2022</u>
Opening Balance	\$ 126,386	\$ 18,306
Add: Allowance for the year	82,549	106,612
Less: Write-off during the year	(57,630)	(4)
Differences of Foreign Currency Translation	<u>2,102</u>	<u>1,472</u>
Closing Balance	<u>\$ 153,407</u>	<u>\$ 126,386</u>

11. Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Finished Goods	\$ 3,420,574	\$ 3,754,172
Work in Progress	1,143,094	1,726,974
Raw Materials	216,138	302,692
Supplies	<u>209,879</u>	<u>364,930</u>
	<u>\$ 4,989,685</u>	<u>\$ 6,148,768</u>

The cost of sales related to inventories for the years ended December 31, 2023 and 2022 was NT\$7,539,910 thousand and NT\$8,115,340 thousand, respectively. Among them, the amount of inventory damage due to fire in 2022 was NT\$425,052 thousand, which was included in the Other Gains and Losses of the Consolidated Statement of Comprehensive Income. The cost of goods sold for the year 2023 included inventory write-down and obsolescence loss of \$92,828 thousand.

12. Subsidiary

Subsidiaries Included in the Consolidated Financial Statements

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

<u>Name of the Investing Company</u>	<u>Name of the Subsidiary</u>	<u>Nature of Business</u>	<u>Percentage of Shares Held (%)</u>	
			<u>December 31, 2023</u>	<u>December 31, 2022</u>
The Company	Everest Investment (Holding) Ltd.	Holdings and international trade	100	100
	Everest International Develop Investment Co., Ltd.	General investment	100	100
	Everest Textile (HK) Ltd.	International trade	99.3	99.3
Everest Investment (Holding) Limited	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100
	Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	100	100
Everest International Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Investment and holdings	100	100
Everest International (HK) Ltd.	Everest Apparel (HK) Ltd.	Investment and holdings	100	100
	Everest USA Holdings, Inc.	Investment and holdings	100	100
Everest USA Holdings, Inc.	Everest Development USA, LLC	Operating asset management	100	100
	Everest Textile USA, LLC	Production and dyeing of yarn and woven fabrics	100	100
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Apparel production	100	100
	Everest Apparel (Haiti) S.A.	Apparel production	100	100

13. Property, Plant and Equipment

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Other Equipment	Construction in Progress and Equipment to Be Tested	Total
Costs								
Balance on January 1, 2022	\$ 700,702	\$ 2,125,892	\$ 5,398,262	\$ 79,572	\$ 429,941	\$ 1,474,583	\$ 46,544	\$10,255,496
Additions	-	43,869	346,895	10,866	22,150	126,356	49,150	599,286
Disposals	-	(29,534)	(127,002)	(5,996)	(25,995)	(29,566)	-	(218,093)
Net exchange difference	6,877	60,992	239,582	4,414	16,963	134,352	5,301	468,481
Balance on December 31, 2022	<u>\$ 707,579</u>	<u>\$ 2,201,219</u>	<u>\$ 5,857,737</u>	<u>\$ 88,856</u>	<u>\$ 443,059</u>	<u>\$ 1,705,725</u>	<u>\$ 100,995</u>	<u>\$11,105,170</u>
Accumulated Depreciation and Impairment								
Balance on January 1, 2022	\$ -	\$ 1,089,201	\$ 2,861,510	\$ 50,882	\$ 234,525	\$ 644,000	\$ -	\$ 4,880,118
Depreciation expenses	-	84,701	364,367	12,650	46,337	174,333	-	682,388
Disposals	-	(24,755)	(123,899)	(5,436)	(25,957)	(29,566)	-	(209,613)
Net exchange difference	-	26,761	109,929	2,838	11,650	54,266	-	205,444
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 1,175,908</u>	<u>\$ 3,211,907</u>	<u>\$ 60,934</u>	<u>\$ 266,555</u>	<u>\$ 843,033</u>	<u>\$ -</u>	<u>\$ 5,558,337</u>
Net amount as of December 31, 2022	<u>\$ 707,579</u>	<u>\$ 1,025,311</u>	<u>\$ 2,645,830</u>	<u>\$ 27,922</u>	<u>\$ 176,504</u>	<u>\$ 862,692</u>	<u>\$ 100,995</u>	<u>\$ 5,546,833</u>
Costs								
Balance on January 1, 2023	\$ 707,579	\$ 2,201,219	\$ 5,857,737	\$ 88,856	\$ 443,059	\$ 1,705,725	\$ 100,995	\$11,105,170
Additions	-	53,928	240,383	5,471	18,422	80,163	21,594	419,961
Disposals	-	(19,953)	(412,139)	(19,148)	(28,814)	(173,812)	-	(653,866)
Reclassifications	-	-	1,798	-	-	-	(1,798)	-
Net exchange difference	460	4,476	581	491	2,041	11,700	915	20,664
Balance on December 31, 2023	<u>\$ 708,039</u>	<u>\$ 2,239,670</u>	<u>\$ 5,688,360</u>	<u>\$ 75,670</u>	<u>\$ 434,708</u>	<u>\$ 1,623,776</u>	<u>\$ 121,706</u>	<u>\$10,891,929</u>
Accumulated Depreciation and Impairment								
Balance on January 1, 2023	\$ -	\$ 1,175,908	\$ 3,211,907	\$ 60,934	\$ 266,555	\$ 843,033	\$ -	\$ 5,558,337
Depreciation expenses	-	88,448	362,991	12,342	43,705	178,444	-	685,930
Disposals	-	(14,984)	(252,141)	(16,633)	(21,031)	(98,332)	-	(403,121)
Reversal of impairment loss	-	-	(6,966)	-	-	-	-	(6,966)
Net exchange difference	-	3,379	(4,424)	419	1,548	6,071	-	6,993
Balance on December 31, 2023	<u>\$ -</u>	<u>\$ 1,252,751</u>	<u>\$ 3,311,367</u>	<u>\$ 57,062</u>	<u>\$ 290,777</u>	<u>\$ 929,216</u>	<u>\$ -</u>	<u>\$ 5,841,173</u>
Net balance as of December 31, 2023	<u>\$ 708,039</u>	<u>\$ 986,919</u>	<u>\$ 2,376,993</u>	<u>\$ 18,608</u>	<u>\$ 143,931</u>	<u>\$ 694,560</u>	<u>\$ 121,706</u>	<u>\$ 5,050,756</u>

For the year 2023, the Group recognized a reversal of impairment loss of \$6,966 thousand, which was included in cost of goods sold in the consolidated statements of comprehensive income.

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

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

Please refer to Note 28 for the amount of property, plant and equipment pledged as collateral for borrowings. Part of the Group's land is agricultural land, and the ownership is temporarily registered in the name of others. Furthermore, it has been mortgaged to the Group.

14. Lease Agreements

(1) Right- Of-Use Assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying Amount of Right-Of-Use Assets		
Buildings	\$ 360,835	\$ 487,938
Transportation Equipment	<u>2,558</u>	<u>2,981</u>
	<u>\$ 363,393</u>	<u>\$ 490,919</u>
	2023	2022
Addition of Right-Of-Use Assets	<u>\$ 15,298</u>	<u>\$ 145,419</u>
Depreciation Expense of Right-Of-Use Assets		
Buildings	\$ 110,739	\$ 124,997
Transportation Equipment	<u>1,577</u>	<u>1,539</u>
	<u>\$ 112,316</u>	<u>\$ 126,536</u>

(2) Lease Liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying Amount of Lease Liabilities		
Current	\$ 76,920	\$ 105,778
Non-Current	<u>339,602</u>	<u>439,248</u>

The discount rate ranges for lease liabilities are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Buildings	1.05%~4.12%	1.01%~4.12%
Transportation Equipment	1.06%~2.03%	1.06%~1.62%

(3) Major Lease Activities and Terms

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

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

(4) Other Lease Information

	<u>2023</u>	<u>2022</u>
Short-Term Lease Expenses	\$ 52,717	\$ 20,223
Total Cash Outflows on Lease	<u>\$ 172,288</u>	<u>\$ 152,199</u>

The Group elects to apply the recognition exemptions to buildings and transportation equipment that qualify as short-term leases, and the Group does not recognize the related right-of-use assets and lease liabilities.

15. Other Assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Prepaid expenses	\$ 58,916	\$ 56,680
Prepayments for goods	36,846	201,601
Prepaid sales tax	20,596	24,905
Refundable deposits	734	357
Others	<u>3,568</u>	<u>19,366</u>
	<u>\$ 120,660</u>	<u>\$ 302,909</u>
<u>Non-Current</u>		
Prepayments for business facilities	\$ 132,294	\$ 119,325
Refundable deposits	16,834	18,379
Others	<u>100</u>	<u>100</u>
	<u>\$ 149,228</u>	<u>\$ 137,804</u>

16. Borrowings

(1) Short-Term Borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank Credit Borrowings	\$ 1,075,000	\$ 1,512,798
Bank Secured Borrowings	776,572	2,109,656
Bank Mortgage Borrowings	<u>730,000</u>	<u>151,972</u>
	<u>\$ 2,581,572</u>	<u>\$ 3,774,426</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank Credit Borrowings	1.80%~1.91%	1.15%~6.30%
Bank Secured Borrowings	2.37%~7.63%	2.15%~7.59%
Bank Mortgage Borrowings	1.82%	1.86%~6.45%

(2) Short-Term Notes and Bills Payable

December 31, 2023

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

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	120,000	71	119,929	1.80	None
	<u>\$ 870,000</u>	<u>\$ 543</u>	<u>\$ 869,457</u>		

(3) Long-Term Borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Unsecured Borrowings</u>		
Bank credit borrowings	\$ 780,000	\$ 1,247,500
<u>Secured Borrowings</u>		
Bank mortgage borrowings	<u>38,615</u>	<u>128,418</u>
	818,615	1,375,918
Less: Those that mature within one year	<u>380,000</u>	<u>490,000</u>
	<u>\$ 438,615</u>	<u>\$ 885,918</u>

The maturity dates for the aforementioned bank loans gradually expire before December 2025. The annual interest rate as of December 31, 2023 and 2022 is 1.78%–4.20% and 1.50%–2.71%, respectively.

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

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

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

18. Other Current Liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other Payables		
Payable for salaries or bonuses	\$ 180,311	\$ 177,738
Payable for pension	31,350	26,541
Payable for annual leave	26,907	27,362
Payable for shipping expenses	25,120	20,495
Payable for utilities	24,128	25,534
Payable for labor and health insurance	21,851	20,686
Payable for purchases of equipment	17,858	10,532
Payable for commissions	4,427	6,254
Payable for processing expenses	2,205	4,453
Payable for employees' compensation	1,095	4,855
Others	<u>142,510</u>	<u>107,893</u>
	<u>\$ 477,762</u>	<u>\$ 432,343</u>
Other Liabilities		
Receipts under custody	\$ 13,876	\$ 35,538
Deferred revenue	7,500	-
Guarantee Deposits	3,355	4,068
Others	<u>4,668</u>	<u>3,578</u>
	<u>\$ 29,399</u>	<u>\$ 43,184</u>

19. Retirement Benefit Plans

(1) Defined Contribution Plans

The Group adopted a pension plan under the “Labor Pension Act,” which is a state-managed defined contribution plan. Under the Labor Pension Act, the Group makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries.

Employees of the Group’s subsidiaries in China, Thailand, Hong Kong, the U.S., Ethiopia, and Haiti are the participants of the retirement benefit plans operated by local governments. The subsidiaries shall allocate salary costs at a particular ratio to the retirement benefit plans to provide funds for the plans. The obligation of the Group regarding the retirement benefit plans operated by such governments is limited to the allocation of a particular amount.

(2) Defined Benefit Plans

The pension system adopted by the Group in accordance with the “Labor Standards Act” is a defined benefit plan operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries for the six months before retirement. The Company contributes amounts equal to 4% of total monthly salaries to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next

year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Company has no right to affect the investment management policy and strategy.

The amounts included in the consolidated balance sheets in respect of the defined benefit plans are set out as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present Value of Defined Benefit Obligation	\$ 339,054	\$ 386,564
Fair Value of Plan Assets	(<u>344,435</u>)	(<u>343,627</u>)
Net Defined Benefit Liabilities (Assets)	(<u>\$ 5,381</u>)	(<u>\$ 42,937</u>)

Movements in net defined benefit liabilities (assets) are as follows:

	<u>Present Value of a Defined Benefit Obligation</u>	<u>Fair Value of Plan Assets</u>	<u>Net Defined Benefit Liabilities (Assets)</u>
Balance on January 1, 2022	\$ 410,581	(\$ 333,962)	\$ 76,619
Service cost			
Current service cost	38,683	-	38,683
Interest expenses (income)	<u>3,079</u>	(<u>2,639</u>)	<u>440</u>
Recognized in profit or loss	<u>41,762</u>	(<u>2,639</u>)	<u>39,123</u>
Re-measurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(25,207)	(25,207)
Actuarial losses – changes in financial assumptions	18,994	-	18,994
Actuarial gains – experience adjustments	(<u>29,114</u>)	<u>-</u>	(<u>29,114</u>)
Recognized in other comprehensive income	(<u>10,120</u>)	(<u>25,207</u>)	(<u>35,327</u>)
Contributions from the employer	<u>-</u>	(<u>37,478</u>)	(<u>37,478</u>)
Benefits paid	(<u>55,659</u>)	<u>55,659</u>	<u>-</u>
Balance on December 31, 2022	<u>386,564</u>	(<u>343,627</u>)	<u>42,937</u>
Service cost			
Current service cost	\$ 31,727	\$ -	\$ 31,727
Interest expenses (income)	<u>5,412</u>	(<u>5,073</u>)	<u>339</u>
Recognized in profit or loss	<u>37,139</u>	(<u>5,073</u>)	<u>32,066</u>
Re-measurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(2,252)	(2,252)
Actuarial losses – changes in financial assumptions	2,168	-	2,168
Actuarial gains – experience adjustments	(<u>47,408</u>)	<u>-</u>	(<u>47,408</u>)
Recognized in other comprehensive income	(<u>45,240</u>)	(<u>2,252</u>)	(<u>47,492</u>)
Contributions from the employer	<u>-</u>	(<u>31,851</u>)	(<u>31,851</u>)
Benefits paid	(<u>39,409</u>)	<u>38,368</u>	(<u>1,041</u>)
Balance on December 31, 2023	<u>\$ 339,054</u>	(<u>\$ 344,435</u>)	(<u>\$ 5,381</u>)

The amounts recognized in profit or loss in respect of the defined benefit plans by functions are compiled as follows:

	<u>2023</u>	<u>2022</u>
Operating Costs	\$ 23,824	\$ 29,586
Selling and Marketing Expenses	2,030	2,025
Administrative Expenses	3,956	4,915
Research and Development Expenses	<u>2,256</u>	<u>2,597</u>
	<u>\$ 32,066</u>	<u>\$ 39,123</u>

The Company is exposed to the following risks due to the defined benefit plans under the “Labor Standards Law”:

1. **Investment Risk:** The labor pension funds are invested in domestic and foreign equity and debt securities, bank deposits, and other targets. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor, or through its designated agencies. However, the rate of return on plan assets of the Group shall not be less than the interest rate on a two-year time deposit published by the local banks.
2. **Interest rate risk:** A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, the debt investment returns on the plan assets would also increase accordingly, and both items have the effect of offsetting the effects of net defined benefit liabilities.
3. **Salary risk:** The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations for the present value of the Company’s defined benefit obligation were carried out by qualified actuaries. The significant assumptions on the date of measurement are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate	1.30%	1.40%
Expected Growth Rate of Salary	2.50%	2.50%

When possible reasonable changes in the significant actuarial assumptions occur, and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate		
Increase of 0.25%	(\$ 5,554)	(\$ 6,453)
Decrease of 0.25%	<u>\$ 5,706</u>	<u>\$ 6,634</u>
Expected Growth Rate of Salary		
Increase of 0.25%	<u>\$ 5,459</u>	<u>\$ 6,348</u>
Decrease of 0.25%	(<u>\$ 5,341</u>)	(<u>\$ 6,207</u>)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation, as it is unlikely that changes in any of the assumptions would occur in isolation of one another for the reason that the assumptions may be correlated.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected contributions to the plan within one year	<u>\$ 31,851</u>	<u>\$ 37,478</u>
Average duration of the defined benefit obligation	7 years	7 years

20. Equity

(1) Ordinary Shares

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Number of shares authorized (in thousands)	<u>800,000</u>	<u>800,000</u>
Share capital authorized	<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>
Share capital issued	<u>\$ 6,946,434</u>	<u>\$ 6,946,434</u>

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

(2) Capital Surplus

	<u>December 31, 2023</u>	<u>December 31, 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
Treasury share transactions (Note)	<u>99,644</u>	<u>99,644</u>
	<u>\$ 115,943</u>	<u>\$ 115,943</u>

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

(3) Retained Earnings and Dividend Policy

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

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

profit after income tax for the year less amounts offsetting deficits, legal reserve, and special reserve. The cash dividends shall be no less than 10% of the current shareholders' bonuses for the year.

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

The shareholders' meetings of the Company held on June 9, 2023 and June 16, 2022 resolved to approve the earnings distribution for 2022 and 2021, respectively.

	Earnings distribution	
	2022	2021
Legal Reserve Provided	<u>\$ 6,400</u>	<u>\$ 18,336</u>
Special Reserve Provided	<u>\$ 57,608</u>	<u>\$ 165,023</u>

The deficit offsetting proposal for 2023 is pending the resolution of the shareholders' meeting to be held in June 2024.

(4) Treasury Shares

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

Purpose of Buy-Back	Number of Shares at the Beginning of the Year	Increase During the Year	Decrease During the Year	At the End of the Year		
				Number of Shares	Carrying Amount	Market Price
For the year ended December 31, 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>\$150,121</u>
For the year ended December 31, 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>\$143,059</u>

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

21. Revenue

	<u>2023</u>	<u>2022</u>
Revenue from the Sales of Goods	<u>\$ 7,838,642</u>	<u>\$ 9,807,785</u>

(1) Explanation of the Customer Contract

Revenue from the Sales of Goods

Textiles, raw materials for yarn, and garments are sold to manufacturers or wholesalers. The goods are sold at an agreed price stated in the contract.

(2) Contract Balance

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Notes Receivable	<u>\$ 12,112</u>	<u>\$ 54,553</u>	<u>\$ 62,393</u>
Trade Receivables	<u>\$ 762,402</u>	<u>\$ 1,149,237</u>	<u>\$ 1,902,269</u>
Contract Liabilities – Current Sales of Goods	<u>\$ 29,015</u>	<u>\$ 56,820</u>	<u>\$ 53,593</u>

The changes in contract liabilities are mainly arising from the difference between the time of fulfilling the performance obligation and the time of customer payment.

The amounts of revenue recognized during the year generated from contract liabilities at the beginning of the year and the performance obligations fulfilled in previous periods are set out as follows:

	<u>2023</u>	<u>2022</u>
Contract Liabilities at the Beginning of the Year		
Sales of Goods	<u>\$ 56,820</u>	<u>\$ 53,593</u>

(3) Disaggregation of Revenue from Customer Contracts

Please refer to Note 33 for the information on disaggregation of revenue.

22. Net Profit (Loss) Before Income Tax

(1) Net Amount of Other Operating Income and Expenses

	<u>2023</u>	<u>2022</u>
Gains on Disposal of Property, Plant and Equipment	\$ <u>5,272</u>	\$ <u>3,251</u>

(2) Interest Income

	<u>2023</u>	<u>2022</u>
Bank Deposits	\$ 6,525	\$ 5,118
Others	<u>64</u>	<u>33</u>
	\$ <u>6,589</u>	\$ <u>5,151</u>

(3) Other Income

	<u>2023</u>	<u>2022</u>
Grants	\$ 15,343	\$ 4,867
Dividend Income	791	1
Others	<u>70,585</u>	<u>68,222</u>
	\$ <u>86,719</u>	\$ <u>73,090</u>

(4) Other Gains and Losses

	<u>2023</u>	<u>2022</u>
Loss by fire (Note 30)	\$ -	(\$ 449,532)
Gain on insurance proceeds (Note 30)	-	415,397
Gain on foreign currency exchange	555,434	576,619
Loss on foreign currency exchange	(577,944)	(457,432)
Losses on financial assets at fair value through profit or loss	(8,093)	(16,484)
Others	(<u>1,337</u>)	<u>961</u>
	(\$ <u>31,940</u>)	\$ <u>69,529</u>

(5) Interest Expenses

	<u>2023</u>	<u>2022</u>
Interests on bank borrowings	\$ 184,951	\$ 123,957
Interest on lease liabilities	7,695	11,315
Less: Amounts included in the cost of required assets	<u>2,103</u>	<u>1,431</u>
	\$ <u>190,543</u>	\$ <u>133,841</u>

Information related to interest capitalization is as follows:

	<u>2023</u>	<u>2022</u>
Amount of interest capitalization	\$ 2,103	\$ 1,431
Interest rate on interest capitalization	1.86%~4.20%	1.15%~1.77%

(6) Depreciation Expenses

	<u>2023</u>	<u>2022</u>
An Analysis of Depreciation by Function		
Operating Costs	\$ 715,504	\$ 724,517
Operating Expenses	<u>82,742</u>	<u>84,407</u>
	<u>\$ 798,246</u>	<u>\$ 808,924</u>

(7) Employee Benefits Expenses

	<u>2023</u>	<u>2022</u>
Short-term Employee Benefits		
Salaries	\$ 1,541,787	\$ 1,698,974
Labor and Health Insurance	158,155	201,002
Others	<u>104,905</u>	<u>157,313</u>
	<u>1,804,847</u>	<u>2,057,289</u>
Retirement Benefits		
Defined Contribution Plans	84,875	83,389
Defined Benefit Plans (Note 19)	<u>32,066</u>	<u>39,123</u>
	<u>116,941</u>	<u>122,512</u>
	<u>\$ 1,921,788</u>	<u>\$ 2,179,801</u>
Summary by Function		
Operating Costs	\$ 1,370,056	\$ 1,603,222
Operating Expenses	<u>551,732</u>	<u>576,579</u>
	<u>\$ 1,921,788</u>	<u>\$ 2,179,801</u>

(8) Employees' Compensation and Directors' Remuneration

The Company appropriates employees' compensation and remuneration of directors at the rates of 2% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors for the year according to its Articles. As the Company incurred a net loss before tax for the year 2023, no employees' compensation and directors' remuneration were accrued. The employees' compensation and directors' remuneration for the year 2022 resolved by the board of directors on March 9, 2023 were as follows:

Estimated Percentage

	<u>2022</u>
Employees' Compensation	3.5%
Directors' Remuneration	-

Amount

	<u>2022</u>
Employees' Compensation	<u>\$ 906</u>
Directors' Remuneration	<u>\$ -</u>

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.

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

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

23. Income Tax

(1) Major Components of Income tax Expense Recognized in Profit or Loss

	<u>2023</u>	<u>2022</u>
Current Income Tax		
Incurred During the Year	\$ 72,432	\$ 94,556
Adjustments for Prior Years	(<u>19,981</u>)	(<u>4,544</u>)
	52,451	90,012
Deferred Income Tax		
Incurred During the Year	(<u>1,831</u>)	(<u>473</u>)
	<u>\$ 50,620</u>	<u>\$ 89,539</u>

A reconciliation of accounting income and income tax expense was as follows:

	<u>2023</u>	<u>2022</u>
Net Profit (Loss) Before Income Tax	(<u>\$ 1,161,352</u>)	<u>\$ 111,381</u>
Income tax expenses (benefits) calculated based on the net profit (loss) before income tax at the statutory rate	(\$ 90,519)	\$ 99,978
Non-deductible expenses in determining taxable income	369	813
Unrecognized loss carryforwards	173,278	2,603
Tax-exempt income	(158)	-
Withholding tax incurred for overseas income	2,036	1,164
Recognized temporary differences	(14,405)	(10,475)
Adjustments to current income tax expenses for previous years during the year	(<u>19,981</u>)	(<u>4,544</u>)
	<u>\$ 50,620</u>	<u>\$ 89,539</u>

(2) Income Tax Recognized in Other Comprehensive Income

	<u>2023</u>	<u>2022</u>
<u>Deferred Income Tax</u>		
Incurred during the year		
Re-measurement on defined benefit plans	(<u>\$ 9,499</u>)	(<u>\$ 7,065</u>)

(3) Current Income Tax Assets and Liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current Income Tax Assets		
Tax Refund Receivable	<u>\$ 7,804</u>	<u>\$ 11,072</u>
Current Income Tax Liabilities		
Income Tax Payable	<u>\$ 40,507</u>	<u>\$ 20,682</u>

(4) Deferred Income Tax Assets and Liabilities

The movements of deferred income tax assets and liabilities were as follows:

2023

Deferred Income Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Differences	Closing Balance
Temporary differences					
Unrealized exchange losses	\$ 109	\$ 8,242	\$ -	\$ -	\$ 8,351
Allowance for sales discount	1,431	-	-	-	1,431
Unrealized gains	8,577	(3,932)	-	-	4,645
Defined benefit retirement plan	8,587	(164)	-	-	8,423
Payable for annual leave	5,327	(91)	-	-	5,236
Loss allowances for doubtful debts	316	702	-	(19)	999
Loss on inventory valuation	<u>72,181</u>	<u>25,111</u>	<u>-</u>	<u>(538)</u>	<u>96,754</u>
	96,528	29,868	-	(557)	125,839
Loss carryforwards	<u>34,271</u>	<u>(28,037)</u>	<u>-</u>	<u>(1)</u>	<u>6,233</u>
	<u>\$ 130,799</u>	<u>\$ 1,831</u>	<u>\$ -</u>	<u>(\$ 558)</u>	<u>\$ 132,072</u>
<u>Deferred Income Tax Liabilities</u>					
Temporary differences					
Reserve for land value increment tax	\$ 169,777	\$ -	\$ -	\$ -	\$ 169,777
Defined benefit retirement plan	<u>-</u>	<u>-</u>	<u>9,499</u>	<u>-</u>	<u>9,499</u>
	<u>\$ 169,777</u>	<u>\$ -</u>	<u>\$ 9,499</u>	<u>\$ -</u>	<u>\$ 179,276</u>

2022

Deferred Income Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Differences	Closing Balance
Temporary differences					
Unrealized exchange losses	\$ -	\$ 109	\$ -	\$ -	\$ 109
Allowance for sales discount	1,431	-	-	-	1,431
Unrealized gains	6,885	1,692	-	-	8,577
Defined benefit retirement plan	15,324	328	(7,065)	-	8,587
Payable for annual leave	3,333	1,994	-	-	5,327
Loss allowances for doubtful debts	988	(689)	-	17	316
Loss on inventory valuation	<u>75,746</u>	<u>(4,075)</u>	<u>-</u>	<u>510</u>	<u>72,181</u>
	103,707	(641)	(7,065)	527	96,528
Loss carryforwards	<u>33,270</u>	<u>386</u>	<u>-</u>	<u>615</u>	<u>34,271</u>
	<u>\$ 136,977</u>	<u>(\$ 255)</u>	<u>(\$ 7,065)</u>	<u>\$ 1,142</u>	<u>\$ 130,799</u>
<u>Deferred Income Tax Liabilities</u>					
Temporary differences					
Reserve for land value increment tax	\$ 169,777	\$ -	\$ -	\$ -	\$ 169,777
Unrealized exchange gains	<u>728</u>	<u>(728)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 170,505</u>	<u>(\$ 728)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,777</u>

(5) Deductible Temporary Differences of Deferred Income tax Assets Which Have yet to Be Recognized in the Consolidated Balance Sheets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible Temporary Differences	\$ 234,358	\$ 306,372
Loss Carryforwards		
Expires in 2030	\$ 304,728	\$ 219,404
Expires in 2031	181,712	131,913
Expires in 2032	95,559	35,077
Expires in 2033	<u>712,918</u>	<u>-</u>
	<u>\$ 1,294,917</u>	<u>\$ 386,394</u>

(6) Relevant Information of Unused Investment Tax Credit, Loss Carry Forward and Tax-Exempt

As of December 31, 2023, information on loss carry forward is as follows:

<u>Balance not Deducted yet</u>	<u>Last Year of Deduction</u>
\$ 304,728	119
181,712	120
101,792	121
<u>712,918</u>	122
<u>\$ 1,301,150</u>	

(7) The Aggregate Amount of Temporary Difference Associated with Investments for Which Deferred Income Tax Liabilities Have not Been Recognized

As of December 31, 2023 and 2022, taxable temporary differences associated with investments in subsidiaries for which no deferred income tax liabilities have been recognized were NT\$1,964,026 thousand and NT\$1,761,044 thousand, respectively.

(8) Income Tax Assessments

Except for the fiscal year 2020, the Company and its subsidiary Everest International Develop Investment Co., Ltd.'s profit-seeking enterprise income tax return cases for the fiscal year 2021 have been reviewed and approved by the tax authorities.

24. Earnings (Net Loss) per Share

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

Net Profit (Loss) for the Year

	<u>2023</u>	<u>2022</u>
Net Profit (Loss) Attributable to Owners of the Company	(\$ <u>1,211,970</u>)	\$ <u>21,844</u>

Number of Shares

	<u>2023</u>	<u>2022</u>
		Unit: thousand shares
Basic Earnings (Net Loss) per Share		
Number of issued ordinary shares at the beginning of the year	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>
The weighted average number of ordinary shares used in the calculation of basic earnings (net loss) per share	674,465	674,465
Impacts of Potential Ordinary Shares with Dilution Effect:		
Employees' compensation	<u>-</u>	<u>193</u>
The weighted average number of ordinary shares used in the calculation of diluted earnings (net loss) per share	<u>674,465</u>	<u>674,658</u>

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

As the Company incurred a net loss for the year 2023, which has an anti-dilutive effect, there was no need to calculate the diluted loss per share.

25. Capital Risk Management

The Group requires sufficient amounts of capital for the expansion and upgrades of its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources and operating plan to provide for its working capital, capital expenditures, research and development expenses, debt repayment, and dividend payments required in the future.

26. Financial Instruments

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

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

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

1. Fair Value Hierarchy

December 31, 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	\$ -	\$ -	\$ 5,494	\$ 5,494
<u>Financial Assets at Fair Value Through Profit or Loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 4,612	\$ -	\$ 4,612
<u>Financial Liabilities at Fair Value Through Profit or Loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 71	\$ -	\$ 71

December 31, 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	\$ -	\$ -	\$ 5,267	\$ 5,267
<u>Financial Assets at Fair Value Through Profit or Loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 189	\$ -	\$ 189
<u>Financial Liabilities at Fair Value Through Profit or Loss</u>				
Derivative instruments – forward exchange contract	\$ -	\$ 240	\$ -	\$ 240

There were no transfers between Level 1 and 2 during the years ended December 31, 2023 and 2022.

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

Categories of Financial Instruments	Valuation Techniques and Inputs
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. Reconciliation of Level 3 fair value measurement of financial instruments:

Financial Assets at Fair Value through Other Comprehensive Income	Equity Instruments	
	2023	2022
Opening balance	\$ 5,267	\$ 3,448
Recognized in other comprehensive income (Unrealized Valuation Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income)	227	1,819
Closing balance	<u>\$ 5,494</u>	<u>\$ 5,267</u>

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

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

(3) Categories of Financial Instruments

	December 31, 2023	December 31, 2022
<u>Financial Assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,534,856	\$ 2,221,905
Financial assets at fair value through profit or loss – designated at fair value through profit or loss	4,612	189
Financial assets at fair value through other comprehensive income – non-current		
Investments in equity instruments	5,494	5,267
<u>Financial Liabilities</u>		
Measured at amortized costs (Note 2)	5,773,917	7,040,761
Financial assets at fair value through profit or loss – designated at fair value through profit or loss	71	240

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 trades payables (included those to related parties), other payables (included those to related parties), long-term borrowings (including those due within one year), guarantee deposits received (including those accounted for as other current liabilities), and other financial liabilities at amortized costs.

(4) Financial Risk Management Objectives and Policies

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

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

1. Market Risk

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

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

(1) Foreign Currency Risk

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

The carrying amounts of monetary assets and monetary liabilities (including monetary items not denominated in the functional currency being written-off in the consolidated financial statements) not denominated in the functional currency of the Group at the end of the reporting period are set out in Note 31.

Sensitivity Analysis

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

The following table details the Group's sensitivity to a 1% increase and decrease in NT\$ (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding monetary items denominated in foreign currencies, and their translations at the end of the year are adjusted at 1% of changes in the exchange rate. The positive figures in the following table indicate the increase (decrease) in profit before tax when the

functional currency depreciates by 1% against each related foreign currency; when the functional currency appreciates by 1% against each related foreign currency, the impact on profit before tax will be a negative amount of the same magnitude.

	USD Impact	
	2023	2022
Profit or Loss	\$ 17,642	\$ 12,412

	THB Impact	
	2023	2022
Profit or Loss	\$ -	\$ 302

	ETB Impact	
	2023	2022
Profit or Loss	\$ 867	\$ 1,681

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:

	December 31, 2023	December 31, 2022
Fair Value Interest Rate Risk		
Financial Assets	\$ 301,512	\$ 143,407
Financial Liabilities	3,867,241	2,464,483
With Cash Flow Interest Rate Risk		
Financial Assets	372,537	367,117
Financial Liabilities	1,298,805	4,100,344

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 the interest rate increases by 1%, with all other variables held constant, the net profit (loss) before tax for the years 2023 and 2022 would decrease (increase) by \$(9,263) thousand and \$37,332 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

(3) Other Price Risks

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

Sensitivity Analysis

The sensitivity analysis below was conducted based on the 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 before tax for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$55 thousand and NT\$53 thousand, respectively, as a result of the changes in the fair values of financial assets at fair value through other comprehensive income.

2. Credit Risk

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

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

3. Liquidity Risk

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

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

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

The analysis of remaining contractual maturity for the Group's non-derivative financial liabilities was drawn up based on the undiscounted cash flows of

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

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

December 31, 2023

	Payment on Demand or Less Than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	5 Years and Above
<u>Non-Derivative Financial</u>					
<u>Liabilities</u>					
Non-interest-bearing liabilities	\$ 556,914	\$ 373,099	\$ 93,610	\$ 770	\$ -
Lease liabilities	7,801	15,863	58,885	222,622	127,671
Floating rate instruments	173,018	406,155	286,527	468,629	-
Fixed rate instruments	<u>3,078,694</u>	<u>381,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$3,816,427</u>	<u>\$1,176,474</u>	<u>\$ 439,022</u>	<u>\$ 692,021</u>	<u>\$ 127,671</u>

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

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

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</u>					
<u>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>

(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.

December 31, 2023

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

December 31, 2022

	Payment on Demand or Less Than 1 Month	1 to 3 Months
<u>Total Amount of Delivery</u>		
Forward exchange contracts		
– Inflow	\$ 189	\$ -
– Outflow	(<u>240</u>)	<u>-</u>
	<u>(\$ 51)</u>	<u>\$ -</u>

27. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (who are related parties of the Company) have been eliminated upon consolidation and are not disclosed in this note. In addition to the information disclosed in other notes, transactions between the Group and its related parties are as follows:

(1) Names of Related Parties and Relationships with the Company

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

(2) Sales of Goods

<u>Category of Related Party</u>	<u>2023</u>	<u>2022</u>
Investors with significant influence over the Company	\$ 31	\$ 6,819
Other related parties	<u>2,250</u>	<u>-</u>
	<u>\$ 2,281</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.

(3) Purchases

<u>Category of Related Party</u>	<u>2023</u>	<u>2022</u>
Investors with significant influence over the Company	\$ 232,157	\$ 216,498
Other related parties	<u>330,335</u>	<u>434,976</u>
	<u>\$ 562,492</u>	<u>\$ 651,474</u>

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

(4) Receivables from Related Parties

<u>Line Items</u>	<u>Category of Related Party</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	Other related parties	<u>\$ 684</u>	<u>\$ -</u>
Trade receivables	Investors with significant influence over the Company	\$ 13	\$ -
	Other related parties	<u>-</u>	<u>401</u>
		<u>\$ 13</u>	<u>\$ 401</u>
Other receivables	Investors with significant influence over the Company	\$ 44	\$ -
	Other related parties	<u>25</u>	<u>-</u>
		<u>\$ 69</u>	<u>\$ -</u>

For the years ended December 31, 2023 and 2022, no allowance for losses was provided for receivables from related parties.

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

Line Items	Category/Name of Related Parties	December 31, 2023	December 31, 2022
Notes payable to related parties	Investors with significant influence over the Company Far Eastern New Century Corporation (FENC)	\$ 42,260	\$ 17,048
Trade payables to related parties	Investors with significant influence over the Company Other related parties	\$ 17,676 23,945	\$ 2,179 20,304
		<u>\$ 41,621</u>	<u>\$ 22,483</u>
Other payables to related parties	Investors with significant influence over the Company Other related parties Everest Shanghai Others	\$ 1,332 34,834 -	\$ - 21,676 529
		<u>\$ 36,166</u>	<u>\$ 22,205</u>

The outstanding payables to related parties are not guaranteed.

(6) Proceeds from Disposal of Property, Plant and Equipment – 2023

Category/Name of Related Parties	Disposal Proceeds	Gain on Disposal
Other related parties Far Eastern Apparel (Vietnam) Ltd.	\$ 262,082	\$ 3,528

(7) Lease Agreements

Line Items	Category/Name of Related Parties	December 31, 2023	December 31, 2022
Lease liabilities	Other related parties Everest Investment(Holding) Limited	\$ 65,164	\$ 92,323

Category of Related Party	2023	2022
<u>Interest Expenses</u> Other related parties	\$ 3,122	\$ 3,979

(8) Borrowings from Related Parties

Category/Name of Related Parties	December 31, 2023	December 31, 2022
<u>Other Related Parties (Included in Short-Term Borrowings)</u> FEIB	\$ 730,000	\$ 10,000

Interest Expenses

Category/Name of Related Parties	2023	2022
<u>Other Related Parties</u> FEIB	\$ 7,922	\$ 2,487

The interest rates of the Group's borrowings from related parties are similar to the market interest rates for the years ended December 31, 2023 and 2022. In addition, to apply for a credit line, the Group provided land, buildings and machinery equipment as collateral to FEIB for financing. The carrying amounts of the related assets were NT\$1,036,638 thousand and NT\$1,154,686 thousand as of December 31, 2023 and 2022, respectively.

(9) Other Transactions with Related Parties

1. Processing Expenses
2. The Group has entrusted other related parties, Jin Lead Industrial Co., Ltd., with processing services. The processing expenses were NT\$18,622 thousand and NT\$33,393 thousand for the years ended December 31, 2023 and 2022, respectively. These processing expenses are based on general trading prices, and the payment terms range from 1 to 2 months, equivalent to that of processing suppliers.
3. Energy Expenses

Category/Name of Related Parties	2023	2022
Other related parties		
Everest Shanghai	\$ 180,984	\$ 191,866
Others	-	1,942
	\$ 180,984	\$ 193,808

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

(10) Compensation of Key Management Personnel

	2023	2022
Short-Term Employee Benefits	\$ 31,829	\$ 30,102
Retirement Benefits	2,198	2,067
	\$ 34,027	\$ 32,169

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.

28. Assets Pledged as Security

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

	December 31, 2023	December 31, 2022
Land	\$ 512,654	\$ 512,250
Buildings	237,728	254,713
Machinery and Equipment	542,009	648,606
Financial Assets at Amortized Cost – Non-Current (accounted as other non-current assets) – Pledged bank time deposits	100	100
	\$ 1,292,491	\$ 1,415,669

29. Significant Contingent Liabilities and Unrecognized Contractual Commitments

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

Significant Commitments

- (1) As of December 31, 2023, the Group participated in the “Brand Low-Carbon Circular Fashion Textile Products Demonstration Development Project,” “Small and Medium-sized Manufacturing Industry Low-Carbon and Intelligent Upgrading and Transformation Subsidy” and “5G Dedicated Frequency and Network Realization of Factory Intelligent Logistics AGV System Project” of the Ministry of Economic Affairs and the Ministry of Digital Development. The total amount of the guarantee provided by Mega Bank was \$46,800 thousand.
- (2) The subsidiary in Everest Thailand has applied to the electric power company for the right to use electricity. The guarantees provided by the entrusted bank were NT\$6,829 thousand and NT\$6,771 thousand (both translated into THB7,573 thousand on December 31, 2023 and 2022) as of December 31, 2023 and 2022, respectively.
- (3) As of December 31, 2023 and 2022, the Group’s unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT\$31,688 thousand and NT\$21,497 thousand, respectively.
- (4) The Group’s contractual commitments that were contracted for but not realized are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Acquisition of Property, Plant and Equipment	<u>\$ 172,060</u>	<u>\$ 140,777</u>

30. Significant Disaster Loss

A fire broke out at the warehouse of the Group’s Tainan Factory on March 15, 2022, causing damage to part of the buildings and inventory. The amount of damage before deducting claims was NT\$449,532 thousand. All the damaged assets were insured by the Group. The gain on insurance proceeds of NT\$415,397 thousand has been recognized in 2022, and has been fully collected in February 2023.

31. 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

December 31, 2023

<u>Financial Assets</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 38,746	30.705 (USD:NTD)	\$ 1,189,688
USD	11,284	34.052 (USD:THB)	346,489
USD	\$ 18,365	7.083 (USD:RMB)	\$ 563,907
ETB	169,740	0.0177 (ETB:USD)	92,153
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	7,417	30.705 (USD:NTD)	227,746
USD	3,208	34.052 (USD:THB)	98,490
USD	314	7.083 (USD:RMB)	9,656
ETB	10,115	0.0177 (ETB:USD)	5,491

December 31, 2022

<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

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	2023		2022	
	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains	Functional Currency Translated into Presentation Currency	Net Exchange (Losses) Gains
USD	31.1548 (USD:NTD)	(\$ 8,841)	29.8043 (USD:NTD)	(\$ 10,370)
NTD1 (NTD: NTD)		(19,253)	1 (NTD: NTD)	64,257
RMB	4.4240 (RMB:NTD)	10,075	4.4346 (RMB:NTD)	58,709
THB	0.9005 (THB:NTD)	(4,524)	0.8555 (THB:NTD)	6,555
HKD	3.9795 (HKD:NTD)	33	3.8056 (HKD:NTD)	36
		(\$ 22,510)		\$ 119,187

32. Supplemental Disclosures

(1) Information on Significant Transactions:

1. Loaning to others. (Table 1)
2. Endorsement and guarantee provided for others. (Table 2)
3. Securities held at the end of the period (excluding the investments in subsidiaries). (Table 3)
4. Cumulative purchase or sales of securities of the same company with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
5. Properties acquired with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
6. Disposal of properties with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
7. Purchases and sales with related parties with an amount achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 4)
8. Receivables from related parties achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 5)
9. Engaging in derivatives trading. (Table 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)

- (2) Information on Investees (Table 6)
- (3) Information on Investment in Mainland China:
 - 1. Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, profit or loss and investment gain or loss recognized for the period, carrying amount of investment at the end of the period, repatriated investment gain or loss, and ceiling of investments in mainland China. (Table 7)
 - 2. Significant transactions directly with investee companies in mainland China or directly or indirectly through a third region, and their prices, payment terms, unrealized profit or loss. (Tables 4, 5, 8, and 9)
 - (1) Purchase amount and percentage, and the closing balance and percentage of the related payables.
 - (2) Sales amount and percentage, and the closing balance and percentage of the related receivables.
 - (3) Property transaction amount and the resulting profit or loss.
 - (4) Closing balances and purposes of endorsements and guarantees or collateral provided.
 - (5) The maximum balance, closing balance, interest rate range, and total amount of current interest of financing facilities.
 - (6) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.
- (4) Information on Major Shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Table 10)

33. 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.

(1) Segment Revenue and Operating Results

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

	Textile Segment	Investment Segment	Total
<u>2023</u>			
Segment revenue – from external customers	<u>\$ 7,838,642</u>	<u>\$ -</u>	<u>\$ 7,838,642</u>
Segment loss	<u>(\$ 1,031,124)</u>	<u>(\$ 1,053)</u>	<u>(\$ 1,032,177)</u>
Interest Income			6,589
Net loss on foreign currency exchange			(22,510)
Interest Expenses			(190,543)
Net amount of other non-operating income			<u>77,289</u>
Net loss before tax			<u>(\$ 1,161,352)</u>
<u>2022</u>			
Segment revenue – from external customers	<u>\$ 9,807,785</u>	<u>\$ -</u>	<u>\$ 9,807,785</u>
Segment profits (losses)	<u>\$ 97,901</u>	<u>(\$ 449)</u>	<u>\$ 97,452</u>
Interest Income			5,151
Net gains on foreign currency exchange			119,187
Interest Expenses			(133,841)
Net amount of other non-operating income			<u>23,432</u>
Net profit before tax			<u>\$ 111,381</u>

The revenue of reportable segments set out above were generated from transactions with external customers; there were no intra-segment sales for the years ended December 31, 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.

(2) Total Segment Assets

Segment Assets	December 31, 2023	December 31, 2022
Textile segment	\$ 12,332,932	\$ 14,970,743
Investment segment	<u>13,341</u>	<u>6,886</u>
Consolidated total assets	<u>\$ 12,346,273</u>	<u>\$ 14,977,629</u>

(3) Revenue from Major Products

The analysis of the Group's revenue from its major products is as follows:

	<u>2023</u>	<u>2022</u>
Finished Fabric	\$ 6,679,521	\$ 8,272,257
Draw Textured Yarn	454,880	797,848
Others	<u>704,241</u>	<u>737,680</u>
	<u>\$ 7,838,642</u>	<u>\$ 9,807,785</u>

(4) Geographical Information

The Group principally operates in five geographical areas – Taiwan, China, Thailand, the U.S., and Ethiopia.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are set out as follows:

	<u>Revenue from External Customers</u>	
	<u>2023</u>	<u>2022</u>
Taiwan	\$ 4,718,975	\$ 6,037,594
China	1,696,780	2,171,467
Thailand	1,126,155	1,287,266
The U.S.	290,695	236,957
Ethiopia	2,624	73,603
Haiti	<u>3,413</u>	<u>898</u>
	<u>\$ 7,838,642</u>	<u>\$ 9,807,785</u>

	<u>Non-Current Assets</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Taiwan	\$ 3,616,136	\$ 3,885,473
China	447,516	483,042
Thailand	527,861	482,306
The U.S.	671,542	850,173
Ethiopia	238,756	308,337
Haiti	48,091	147,746
Hong Kong	<u>1,922</u>	<u>-</u>
	<u>\$ 5,551,824</u>	<u>\$ 6,157,077</u>

Non-current assets exclude financial instruments and deferred income tax assets.

(5) Information on Major Customers

There was no single customer contributing 10% or more to the Group's revenue for the years ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

Table 1

Unit: NT\$ Thousands

Code	Financing Company	Borrower	Current Account	Related Party or not	Current Maximum Balance	Closing Balance	Actual Amount Utilized (Note 4)	Interest Rate Range (%)	Nature for Financing (Note 3)	Transaction Amount	Reason for the Necessity of Short-Term Financing	Allowance for Doubtful Debts Provided	Collateral		Credit Limit for the Individual Borrower	Total Credit Limit for Loans
													Name	Value		
0	The Company	Everest International (HK) Ltd.	Other receivables from related parties	Yes	\$ 460,575	\$ 460,575	\$ -	-	2.	\$ -	Working capital	\$ -	None	\$ -	\$ 1,173,561 (Note 1)	\$ 2,347,122 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	354,950	354,950	105,573	1.95~1.96	2	-	Working capital	-	None	-	1,173,561 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	<u>525,056</u>	<u>525,056</u>	<u>525,056</u>	1.95~1.96	2	-	Working capital	-	None	-	1,173,561 (Note 1)	
					<u>\$ 1,340,581</u>	<u>\$ 1,340,581</u>	<u>\$ 630,629</u>									
1	Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	\$ 506,915	\$ 506,915	\$ 506,915	5.35~6.68	2.	-	Working capital	-	None	-	1,717,142 (Note 1)	2,861,903 (Note 2)
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	23,121	23,121	14,239	6.42~6.68	2.	-	Working capital	-	None	-	1,717,142 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	66,937	66,937	-	6.28~6.48	2.	-	Working capital	-	None	-	1,717,142 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	44,522	44,522	-	5.99~6.48	2.	-	Working capital	-	None	-	1,717,142 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	<u>59,875</u>	<u>54,673</u>	<u>54,673</u>	5.35~6.68	2.	-	Working capital	-	None	-	1,717,142 (Note 1)	
					<u>\$ 701,370</u>	<u>\$ 696,168</u>	<u>\$ 575,827</u>									
2	Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Other receivables from related parties	Yes	<u>\$ 399,165</u>	<u>\$ 399,165</u>	<u>\$ 399,165</u>	4.67~5.31	2.	-	Working capital	-	None	-	1,763,700 (Note 1)	2,645,550 (Note 2)
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	<u>\$ 122,820</u>	<u>\$ 122,820</u>	<u>\$ -</u>	-	2.	-	Working capital	-	None	-	1,763,700 (Note 1)	
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	<u>\$ 130,496</u>	<u>\$ 130,496</u>	<u>\$ 130,496</u>	7.23~7.70	2.	-	Working capital	-	None	-	779,640 (Note 1)	1,169,460 (Note 2)
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Other receivables from related parties	Yes	<u>\$ 153,525</u>	<u>\$ 153,525</u>	<u>\$ 153,525</u>	5.13	2.	-	Working capital	-	None	-	981,366 (Note 1)	1,472,049 (Note 2)

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

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

Note 3: Nature of the loan:

(1) For a borrower having transactions with the Group, please input "1".

(2) For a borrower who has short-term financing requirements, please input "2".

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

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

For the year ended December 31, 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)	Current Maximum Balance of Endorsement and Guarantee	Closing Balance of Endorsement and Guarantee	Actual Amount Utilized	Amount of Endorsement and Guarantee Secured with Collateral	Ratio of Cumulative Endorsement and Guarantee to the Net Value Stated in the Latest Financial Statements (%)	Cap of Endorsement and Guarantee (Note 2)	Endorsement and Guarantee Provided by the Parent for Subsidiary	Endorsement and Guarantee Provided by the Subsidiary for Parent	Endorsement and Guarantee Provided for Entities in Mainland China
		Name of the Company	Relationship										
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary – 100% shareholding	\$ 4,400,853	\$ 61,410	\$ 61,410	\$ 19,344	\$ -	1.05		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	"	4,400,853	307,050	307,050	-	-	5.23		Y	N	N
		Everest International Develop Investment Co., Ltd.	"	4,400,853	590,000	590,000	334,000	-	10.05		Y	N	N
		Everest Textile USA, LLC.	"	4,400,853	2,978,385	2,057,235	626,382	-	35.06		Y	N	N
		Everest International (HK) Ltd.	"	4,400,853	<u>1,412,430</u>	<u>1,412,430</u>	<u>36,846</u>	-	<u>24.07</u>		Y	N	N
					<u>\$ 5,349,275</u>	<u>\$ 4,428,125</u>	<u>\$ 1,016,572</u>		<u>75.46</u>	<u>\$ 8,801,706</u>			

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

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

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

December 31, 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	\$ 5,479	19	\$ 5,479	
	Dah Chung Bills Finance Corp. – shares of a listed company	None	"	1,204	<u>15</u>	-	<u>15</u>	
					<u>\$ 5,494</u>		<u>\$ 5,494</u>	
Everest International Develop Investment Co., Ltd.	Everest Textile – shares of a listed company	Parent company	Financial assets at fair value through other comprehensive income – non-current	20,177,533	<u>\$ 150,121</u>	2.9	<u>\$ 150,121</u>	

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

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

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
**PURCHASES AND SALES WITH RELATED PARTIES WITH AN AMOUNT ACHIEVING NT\$100,000 THOUSAND OR REACHING 20% OF ITS PAID-IN CAPITAL AND
 ABOVE**

For the year ended December 31, 2023

Table 4

Unit: NT\$ Thousands

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Status				Circumstance and Reason for Transaction Conditions Differ from General Transactions		Transaction Status		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	\$ 613,603	80	Settle every 1 month	No comparable goods under the same category		(\$ 50,409)	(12)	Note
		Subsidiary	Sales	(250,649)	(5)	Settle every 6 months	Equivalent	Equivalent	-	-	Note
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchases	232,157	11	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(59,936)	(14)	
			Purchases	164,514	8	Settle every 1 month	Equivalent	Equivalent	(6,883)	(2)	
			Purchases	150,358	7	Settle every 1 month	Equivalent	Equivalent	(9,202)	(2)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method									
	Jin Lead Industrial Co., Ltd.	The Company is a corporate director of Jin Lead Industrial Co., Ltd.									
Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(159,870)	(3)	Settle every 6 month	Equivalent	Equivalent	8,587	2	Note	
Everest Textile USA, LLC.	Subsidiary	Purchases	455,533	23	1 to 2 months	Equivalent	Equivalent	(34,514)	(8)	Note	
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	(713,879)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	59,878	21	Note
Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	Fellow subsidiary	Sales	(158,326)	(18)	1 to 2 months	Equivalent	Equivalent	5,232	11	Note

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

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

December 31, 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	\$ 148,864	—	\$ -	—	\$ -	\$ -
		Subsidiary	636,629	Note	-	—	-	-
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	429,091	Note	-	—	429,091	-
Everest Textile USA, LLC.	Everest Development USA, LLC.	Fellow subsidiary	142,650	Note	-	—	-	-
Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	629,592	Note	-	—	-	-
Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Subsidiary	153,622	Note	-	—	-	-

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

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

For the year ended December 31, 2023

Table 6

Unit: NT\$ Thousands

Name of the Investing Company	Name of the Investees	Location	Principal Business Activities	Initial Investment Amount		Held at the End of the Period			Current Gain (Loss) of the Investees	Investment Gain (Loss) Recognized for the Period	Remarks
				End of the Period	End of the Previous Year	Number of Shares	Ratio (%)	Carrying Amount			
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	\$ 955,893	\$ 955,893	1,300	100	\$ 3,149,871	\$ 206,169	\$ 206,169	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	2,291,400	1,998,400	220,700,000	100	(26,395) (Note 1)	(623,033)	(623,033)	Note 3
	Everest Textile (HK) Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	639	(383)	(383)	Note 3
Everest Investment (Holding) Ltd.	Everest Textile (Thailand) Co., Ltd.	Thailand	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	701,063	701,063	79,999,993	100	1,410,424	117,226		Note 3
Everest International Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Hong Kong	Investment and holdings	1,418,047	1,260,433	46,300,000	100	1,144,761	(105,199)		Note 3
	Everest Apparel (HK) Ltd.	Hong Kong	Investment and holdings	974,505	848,467	31,580,000	100	(818,008)	(509,005)		Note 3
Everest International (HK) Ltd.	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,418,047	1,260,433	1,000	100	981,366	(129,847)		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	41,941	(11,083)		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	779,640	(119,229)		Note 3
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	(160,422)	(192,089)		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(663,552)	(310,330)		Note 3

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

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

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

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

For the year ended December 31, 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 Gain (Loss) of the Investees	the Company's Direct or Indirect Investment Shareholding (%)	Investment (Loss) Gain Recognized for the Period (Note 3 and 4)	Name of the Investee Company in Mainland China	Principal Business Activities
					Remitted	Recovered						
Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	\$ 921,150 (US\$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	\$ 980,349 (US\$30,000 thousand)	\$ -	\$ -	\$ 980,349 (US\$30,000 thousand)	\$ 92,545	100	\$ 90,460	\$ 1,763,700	\$ -

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)
\$ 921,150 (US\$30,000 thousand)	\$ 921,150 (US\$30,000 thousand)	\$ 3,520,682

Note 1: Calculated based on the limits stated in the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the MOEAIC on August 29, 2009 ($\$5,867,804 \times 60\% = \$3,520,682$).

Note 2: The amount is translated at a currency rate where USD\$1 equals NT\$30.705.

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

Note 4: Investment gains recognized for the period is the net amount after deducting the realized gross sales of goods amounted to NT\$2,085 thousand arising from the side current transactions.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND
THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**

For the year ended December 31, 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 of Goods (%)	Credit Period	Unit Price	Credit Period	Balance (Note)	Proportion to Total Notes and Accounts Receivable (Payable) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(\$ 159,870)	(3)	Settle every 6 month	Equivalent	Equivalent	\$ 8,587	2	\$ 4,817
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	(713,879)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	59,878	21	(2,266)
Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	Fellow subsidiary	Sales	(63,059)	(3)	Settle every 2 to 4 months	Equivalent	Equivalent	68	-	-

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

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES
**BUSINESS RELATIONSHIPS AND STATUS OF SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES
AND BETWEEN THE RESPECTIVE SUBSIDIARIES**

For the year ended December 31, 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	\$ 250,649	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3
				Processing expenses	613,603	No comparable goods under the same category; payment terms shall be settled every 1 month.	8
				Purchase of machine supplies on behalf of others	48,006	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Trade payables to related parties	50,409		-
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	159,870	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	2
				Everest Textile USA, LLC.	1	Sales of goods	67,343
		Everest Textile USA, LLC.	1	Purchases		455,533	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.
				Trade payables to related parties	34,514		-
				Everest International (HK) Ltd.	1	Selling and Marketing Expenses	28,019
		Purchases	71,448	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	Processing expenses	51,140	No comparable goods under the same category; payment terms shall be settled every 1 month.	1
				Trade receivables from related parties	148,864		1
				Other receivables from related parties	636,629		5
1	Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	3	Sales of goods	713,879	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	9
				Trade receivables from related parties	59,878		-
				Other receivables from related parties	429,091		3
2	Everest International (HK) Ltd.	Everest Textile (Thailand) Co., Ltd.	3	Sales	17,364	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	-

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 (%)
3	Everest Textile USA, LLC.	Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	629,592	The transactions are made at general transaction prices; collection terms shall be settled every 1 to 2 months.	5
		Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	158,326		2
4	Everest Textile (Thailand) Co., Ltd.	Everest Development USA, LLC.	3	Other receivables from related parties	142,650	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	1
		Everest Textile (Shanghai) Ltd.	3	Sales of goods	63,059		1
5	Everest USA Holdings, Inc.	Everest Apparel (Ethiopia) S.C.	3	Purchases	44,519	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	1
		Everest Textile USA, LLC.	3	Other receivables from related parties	153,622		1

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

EVEREST TEXTILE CO., LTD.
INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2023

Table 10

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