

Stock Code: 1460

**EVEREST TEXTILE CO., LTD.  
AND ITS SUBSIDIARIES**

Consolidated Financial Statements for the  
Three Months Ended March 31, 2024 and 2023 and  
Independent Auditors' Review Report

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Notice to Reader

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

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# INDEPENDENT AUDITORS' REVIEW REPORT

To: Everest Textile Co., Ltd.,

## **Preface**

The consolidated balance sheet of Everest Textile Co., Ltd. and its subsidiaries (Everest Textile Group) as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the period from January 1 to March 31, 2024 and 2023, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the undersigned CPA. The management is responsible for preparing the consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" as endorsed and effective by the Financial Supervisory Commission. The responsibility of the CPA is to express a conclusion on these consolidated financial statements based on the review results.

## **Scope**

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

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Everest Textile Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the period from January 1 to March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
May 2, 2024

## **Notice to Reader**

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## EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

March 31 in 2024 and 2023, and December 31, 2023

Unit: NT\$ thousand

Code	Assets	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and Cash Equivalents (Note 6)	\$ 1,231,867	10	\$ 708,976	6	\$ 560,805	4
1110	Financial Assets at Fair Value Through Profit or Loss – Current (Notes 7)	-	-	4,612	-	766	-
1136	Financial Assets at Amortized Cost - Current (Note 9)	135,306	1	-	-	-	-
1150	Notes Receivable (Notes 10, 21, and 26)	3,712	-	12,112	-	9,888	-
1170	Trade Receivables (Notes 10, 21, and 26)	633,133	5	762,402	6	993,248	7
1200	Other receivables (Note 26)	29,530	-	33,698	-	32,057	-
1220	Current Income Tax Assets	8,064	-	7,804	-	9,216	-
130X	Inventories (Note 11)	4,765,878	37	4,989,685	41	6,080,510	43
1470	Other Current Assets (Note 15)	106,330	1	120,660	1	227,568	2
11XX	Total Current Assets	<u>6,913,820</u>	<u>54</u>	<u>6,639,949</u>	<u>54</u>	<u>7,914,058</u>	<u>56</u>
Non-Current Assets							
1517	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current (Note 8)	5,494	-	5,494	-	5,267	-
1600	Property, Plant and Equipment (Notes 13, 26 and 27)	5,069,302	40	5,050,756	41	5,458,194	39
1755	Right-Of-Use Assets (Note 14)	398,100	3	363,393	3	462,234	3
1840	Deferred Income Tax Assets	133,237	1	132,072	1	130,734	1
1975	Net Defined Benefit Assets – Non-Current (Notes 4 and 19)	3,510	-	5,381	-	-	-
1990	Other Non-Current Assets (Notes 9, 15, and 27)	189,275	2	149,228	1	134,370	1
15XX	Total Non-Current Assets	<u>5,798,918</u>	<u>46</u>	<u>5,706,324</u>	<u>46</u>	<u>6,190,799</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 12,712,738</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 14,104,857</u>	<u>100</u>
<b>Liabilities and Equity</b>							
Current Liabilities							
2100	Short-Term Borrowings (Notes 16, 26 and 27)	\$ 3,114,920	25	\$ 2,581,572	21	\$ 3,005,454	22
2110	Short-Term Notes and Bills Payable (Note 16)	1,398,723	11	1,349,337	11	889,426	6
2120	Financial Liabilities at Fair Value Through Profit or Loss – Current (Note 7)	1,703	-	71	-	523	-
2130	Contract Liabilities – Current (Note 21)	30,324	-	29,015	-	37,589	-
2150	Notes Payable (Note 17)	22,058	-	29,963	-	19,447	-
2160	Notes Payable to Related Parties (Notes 17 and 26)	31,691	-	42,260	1	6,200	-
2170	Trade Payables (Note 17)	340,567	3	392,496	3	345,877	3
2180	Trade Payables to Related Parties (Notes 17 and 26)	45,685	-	41,621	-	22,797	-
2219	Other Payables (Note 18)	389,320	3	477,762	4	353,836	3
2220	Other Payables to Related Parties (Note 26)	41,362	-	36,166	-	33,140	-
2230	Current Income Tax Liabilities	52,179	1	40,507	-	33,643	-
2250	Refund Liabilities – Current	7,154	-	7,154	-	7,154	-
2280	Lease Liabilities – Current (Notes 14 and 26)	87,421	1	76,920	1	98,523	1
2322	Current Portion of Long-Term Loans due Within 1 Year (Notes 16, 26, and 27)	237,500	2	380,000	3	602,500	4
2399	Other Current Liabilities (Note 18)	47,450	-	29,399	-	27,030	-
21XX	Total Current Liabilities	<u>5,848,057</u>	<u>46</u>	<u>5,514,243</u>	<u>44</u>	<u>5,483,139</u>	<u>39</u>
Non-Current Liabilities							
2540	Long-Term Borrowings (Notes 16, 26 and 27)	387,500	3	438,615	4	924,266	7
2570	Deferred Income Tax Liabilities	179,276	1	179,276	1	169,668	1
2580	Lease Liabilities – Non-Current (Notes 14 and 26)	365,708	3	339,602	3	413,677	3
2630	Long-Term Deferred Revenue	3,750	-	5,625	-	-	-
2640	Net Defined Benefit Liabilities – Non-Current (Notes 4 and 19)	-	-	-	-	43,454	-
2645	Guarantee Deposits	720	-	770	-	770	-
2670	Other Non-Current Liabilities	330	-	333	-	384	-
25XX	Total Non-Current Liabilities	<u>937,284</u>	<u>7</u>	<u>964,221</u>	<u>8</u>	<u>1,552,219</u>	<u>11</u>
2XXX	Total Liabilities	<u>6,785,341</u>	<u>53</u>	<u>6,478,464</u>	<u>52</u>	<u>7,035,358</u>	<u>50</u>
Equity Attributable to Owners of the Company (Note 20)							
Share Capital							
3110	Common Shares	6,946,434	55	6,946,434	56	6,946,434	49
3200	Capital Surplus	115,943	1	115,943	1	115,943	1
Retained Earnings							
3310	Legal Reserve	198,758	2	198,758	2	192,358	1
3320	Special Reserve	305,704	2	305,704	2	248,096	2
3350	Undistributed Earnings (Deficits to Be Compensated)	( 1,167,214 )	( 9 )	( 1,173,977 )	( 9 )	69,511	-
3300	Net Amount of Retained Earnings (Accumulated Deficit)	( 662,752 )	( 5 )	( 669,515 )	( 5 )	509,965	3
3400	Other Equity Interest	( 139,397 )	( 1 )	( 192,222 )	( 1 )	( 170,013 )	( 1 )
3500	Treasury Shares	( 332,836 )	( 3 )	( 332,836 )	( 3 )	( 332,836 )	( 2 )
31XX	Total Equity Attributable to Owners of the Company	<u>5,927,392</u>	<u>47</u>	<u>5,867,804</u>	<u>48</u>	<u>7,069,493</u>	<u>50</u>
36XX	Non-Controlling Interests	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>6</u>	<u>-</u>
3XXX	Total Equity	<u>5,927,397</u>	<u>47</u>	<u>5,867,809</u>	<u>48</u>	<u>7,069,499</u>	<u>50</u>
Total Liabilities and Equity							
		<u>\$ 12,712,738</u>	<u>100</u>	<u>\$ 12,346,273</u>	<u>100</u>	<u>\$ 14,104,857</u>	<u>100</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

From the Three Months Ended March 31, 2024 and 2023

Unit: NT\$ thousand (earnings per share are in NT\$)

Code		January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 21 and 26)	\$ 1,933,101	100	\$ 1,926,820	100
5000	Operating Costs (Notes 11, 22, and 26)	<u>1,657,838</u>	<u>86</u>	<u>1,524,597</u>	<u>79</u>
5900	Gross Profit	<u>275,263</u>	<u>14</u>	<u>402,223</u>	<u>21</u>
	Operating Expenses (Notes 10, 22 and 26)				
6100	Selling and Marketing Expenses	121,196	6	128,154	7
6200	Administrative Expenses	130,112	7	122,793	6
6300	Research and Development Expenses	43,648	2	57,755	3
6450	Expected Credit Impairment Loss	<u>207</u>	<u>-</u>	<u>5,006</u>	<u>-</u>
6000	Total Operating Expenses	<u>295,163</u>	<u>15</u>	<u>313,708</u>	<u>16</u>
6500	Net Amount of Other Operating Income and Expenses (Note 22)	( <u>2</u> )	<u>-</u>	<u>193</u>	<u>-</u>
6900	Net Operating Profits (Losses)	( <u>19,902</u> )	( <u>1</u> )	<u>88,708</u>	<u>5</u>
	Non-Operating Income and Expenses (Notes 7, 22 and 26)				
7100	Interest Income	1,497	-	1,444	-
7010	Other Income	33,151	2	11,756	1
7230	Other Gains and Losses	51,461	2	( 28,448 )	( 2 )
7510	Interest Expenses	( <u>35,675</u> )	( <u>2</u> )	( <u>55,681</u> )	( <u>3</u> )
7000	Total Non-Operating Income and Expenses	<u>50,434</u>	<u>2</u>	( <u>70,929</u> )	( <u>4</u> )
7900	Net Profit Before Tax	30,532	1	17,779	1
7950	Income Tax Expense (Notes 4 and 23)	<u>23,769</u>	<u>1</u>	<u>12,277</u>	<u>1</u>
8200	Net Profit for the Period	<u>6,763</u>	<u>-</u>	<u>5,502</u>	<u>-</u>

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<u>Code</u>		<u>January 1 to March 31, 2024</u>		<u>January 1 to March 31, 2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Other Comprehensive Income				
8360	Items that may be Reclassified Subsequently to Profit or Loss:				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	\$ <u>52,825</u>	<u>3</u>	\$ <u>9,283</u>	<u>1</u>
8500	Total Comprehensive Income for the Period	\$ <u>59,588</u>	<u>3</u>	\$ <u>14,785</u>	<u>1</u>
8600	Net Profit (Loss) Attributable to:				
8610	Owners of the Company	\$ 6,763	-	\$ 5,503	-
8620	Non-Controlling Interests	<u>-</u>	<u>-</u>	( <u>1</u> )	<u>-</u>
		\$ <u>6,763</u>	<u>-</u>	\$ <u>5,502</u>	<u>-</u>
8700	Total Comprehensive Income Attributable To:				
8710	Owners of the Company	\$ 59,588	3	\$ 14,786	1
8720	Non-Controlling Interests	<u>-</u>	<u>-</u>	( <u>1</u> )	<u>-</u>
		\$ <u>59,588</u>	<u>3</u>	\$ <u>14,785</u>	<u>1</u>
	Earnings per Share (Note 24)				
9710	Basic	\$ 0.01		\$ 0.01	
9810	Diluted	0.01		0.01	

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

For the Three Months Ended March 31, 2024 and 2023

Unit: NT\$ thousand

		Equity Attributable to Owners of the Company											
		Share Capital		Retained Earnings (Accumulated Deficit)			Other Equity Items						
Code		Capital - 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 on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-Controlling Interests	Total Equity
A1	Balance as of January 1, 2024	\$ 6,946,434	\$ 115,943	\$ 198,758	\$ 305,704	(\$ 1,173,977)	(\$ 196,421)	\$ 4,199	(\$ 192,222)	(\$ 332,836)	\$ 5,867,804	\$ 5	\$ 5,867,809
D1	Net Profit from January 1 to March 31, 2024	-	-	-	-	6,763	-	-	-	-	6,763	-	6,763
D3	Other Comprehensive Losses after Tax from January 1 to March 31, 2024	-	-	-	-	-	52,825	-	52,825	-	52,825	-	52,825
D5	Total Comprehensive Gains (Losses) from January 1 to March 31, 2024	-	-	-	-	6,763	52,825	-	52,825	-	59,588	-	59,588
Z1	Balance as of March 31, 2024	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 198,758</u>	<u>\$ 305,704</u>	<u>(\$ 1,167,214)</u>	<u>(\$ 143,596)</u>	<u>\$ 4,199</u>	<u>(\$ 139,397)</u>	<u>(\$ 332,836)</u>	<u>\$ 5,927,392</u>	<u>\$ 5</u>	<u>\$ 5,927,397</u>
A1	Balance on January 1, 2023.	\$ 6,946,434	\$ 115,943	\$ 192,358	\$ 248,096	\$ 64,008	(\$ 183,268)	\$ 3,972	(\$ 179,296)	(\$ 332,836)	\$ 7,054,707	\$ 7	\$ 7,054,714
D1	Net Profit from January 1 to March 31, 2023	-	-	-	-	5,503	-	-	-	-	5,503	( 1 )	5,502
D3	Other Comprehensive Losses after Tax from January 1 to March 31, 2023	-	-	-	-	-	9,283	-	9,283	-	9,283	-	9,283
D5	Total Comprehensive Gains (Losses) from January 1 to March 31, 2023	-	-	-	-	5,503	9,283	-	9,283	-	14,786	( 1 )	14,785
Z1	Balance as of March 31, 2023	<u>\$ 6,946,434</u>	<u>\$ 115,943</u>	<u>\$ 192,358</u>	<u>\$ 248,096</u>	<u>\$ 69,511</u>	<u>(\$ 173,985)</u>	<u>\$ 3,972</u>	<u>(\$ 170,013)</u>	<u>(\$ 332,836)</u>	<u>\$ 7,069,493</u>	<u>\$ 6</u>	<u>\$ 7,069,499</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang



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

For the Three Months Ended March 31, 2024 and 2023

Unit: NT\$ thousand

<u>Code</u>		<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
	Cash Flows from Operating Activities		
A10000	Current net Profit Before tax	\$ 30,532	\$ 17,779
	Income and Expense Items		
A20100	Depreciation Expenses	192,678	204,852
A20300	Expected Credit Impairment Loss	207	5,006
A20900	Interest Expenses	35,675	55,681
A21200	Interest Income	( 1,497)	( 1,444)
A22500	(Gains on Disposal of Property, Plant and Equipment)	2	( 193)
A23700	Loss for Market Price Decline and Obsolete and Slow-Moving Inventories	3,315	-
A24100	Net Foreign Exchange Loss (Gain)	( 32,452)	24,179
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes Receivable	8,400	44,665
A31150	Trade Receivables	134,721	151,269
A31180	Other Receivables	4,132	420,049
A31200	Inventories	235,935	69,092
A31240	Other Current Assets	14,197	75,713
A31990	Financial Assets at Fair Value Through Profit or Loss	4,612	( 577)
A32125	Contract Liabilities	1,309	( 19,231)
A32130	Notes Payable	( 7,905)	( 174)
A32140	Notes Payable to Related Parties	( 10,569)	( 10,848)
A32150	Trade Payables	( 55,189)	( 158,130)
A32160	Trade Payables to Related Parties	4,064	314
A32180	Other Payables	( 84,300)	( 68,026)
A32190	Other Payables to Related Parties	5,196	10,935
A32230	Other Current Liabilities	17,041	( 15,067)
A32240	Net Defined Benefit Plan	1,871	517
A32250	Financial Liabilities at Fair Value Through Profit or Loss	1,632	283
A32990	Other Non-Current Liabilities	( 3)	( 18)
A33000	Cash Generated fom Operations	503,604	806,626
A33100	Interest Received	1,499	1,444
A33300	Interest Paid	( 35,294)	( 60,963)
A33500	Income Tax Paid	( 11,784)	2,540
AAAA	Net Cash Inflow from Operating Activities	<u>458,025</u>	<u>749,647</u>

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Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash Flows from Investing Activities		
B00040	Acquisition of Financial Assets at Amortized Cost	(\$ 135,306)	\$ -
B02700	Purchase of Property, Plant and Equipment	( 160,662)	( 105,544)
B02800	Proceeds from Disposal of Property, Plant and Equipment	-	198
B03700	Increase in Refundable Deposits	( 1,342)	( 152)
B03800	Decrease in Refundable Deposits	<u>841</u>	<u>160</u>
BBBB	Net Cash Outflows from Investing Activities	<u>( 296,469)</u>	<u>( 105,338)</u>
	Cash Flows from Financing Activities		
C00100	Increase in Short-Term Borrowings	4,398,786	2,673,305
C00200	Decrease in Short-Term Borrowings	( 3,898,134)	( 3,428,594)
C00500	Increase in Short-Term Notes and Bills Payable	5,293,820	2,257,155
C00600	Decrease in short-term notes and bills payable	( 5,244,434)	( 2,237,186)
C01600	Proceeds from Long-Term Borrowings	10,000	893,221
C01700	Repayments of Long-Term Borrowings	( 202,935)	( 742,500)
C03000	Increase in Guarantee Deposits	14	1,547
C03100	Decrease in Guarantee Deposits	( 1,028)	( 2,608)
C04020	Lease Principal Repayments	<u>( 26,453)</u>	<u>( 30,386)</u>
CCCC	Net Cash Inflows (Outflows) from Financing Activities	<u>329,636</u>	<u>( 616,046)</u>
DDDD	Effects of Exchange Rate Changes on Cash and Cash Equivalents	<u>31,699</u>	<u>( 14,689)</u>
EEEE	Net Increase in Cash and Cash Equivalents	522,891	13,574
E00100	Beginning Balance of Cash and Cash Equivalents	<u>708,976</u>	<u>547,231</u>
E00200	Ending Balance of Cash and Cash Equivalents	<u>\$ 1,231,867</u>	<u>\$ 560,805</u>

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

Chairman: Johnny Hih

Manager: Wen Kuei Hsiang

Accounting Executive: Mei Hsiu Huang

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

January 1 to March 31, 2024 and 2023.

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

**1. Company History**

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

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

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

**2. Date and Procedures of Approval of the Financial Statements**

The consolidated financial statements were approved by the Board on May 2, 2024.

**3. Application of New and Amended Standards and Interpretations**

(1) The initial adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as “IFRS Accounting Standards”) recognized and promulgated by the Financial Supervisory Commission (hereinafter referred to as 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) IFRS that have been issued by the IASB but not yet endorsed and issued into effect by the FSC.

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information”	January 1, 2023
IFRS 18 “Presentation of Financial Statements Disclose”	January 1, 2027
Amendment to IAS 21 “Lack of Exchangeability”	January 01, 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. Upon initial application of the amendments, no restatement of comparative periods is required, and the impact should be recognized in the retained earnings or foreign currency translation reserve (as appropriate) at the date of initial application, as well as in the related assets and liabilities affected.

#### IFRS 18 “Presentation of Financial Statements Disclose”

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

- The income statement should classify revenue and expense items into categories such as operating, investing, financing, income tax, and discontinued operations.
- The income statement should report operating profit or loss, profit or loss before financing and income taxes, as well as subtotals and totals of profit or loss.
- Provide guidance to strengthen aggregation and disaggregation requirements: Consolidated companies must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. Consolidated companies shall label such items as “other” only when a more informative name cannot be found.
- Increase disclosure of management-defined performance measures: When consolidated companies publicly communicate outside of financial statements or communicate with financial statement users on management’s perspective on a certain aspect of the consolidated company’s overall financial performance, they should disclose relevant information on management-defined performance measures in a single note to the financial statements, including the description of the measure,

how it is calculated, its reconciliation with the subtotals or totals defined by IFRS accounting standards, and the effects of tax and non-controlling interests on related reconciliation items.

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

#### **4. Summary of Significant Accounting Policies**

##### **(1) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission. These consolidated financial statements do not include all of the IFRS disclosures required for a full annual financial report.

##### **(2) Basis of Preparation**

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

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

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

##### **(3) Consolidated Basis**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., subsidiaries.) the adjustments are made to the financial statements of subsidiaries to align their accounting

policies with those used by the Group. When preparing consolidated financial statements, transactions, account balances, revenues and expenses between entities have been eliminated, the total comprehensive income of subsidiaries is attributed to owners of the Company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(4) Other Major Accounting Policies

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

1. Standards for the Classification of Current and Non-current Assets and Liabilities

Current assets include:

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

Current liabilities include:

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

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

2. Defined Benefit of Retirement Benefits

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

### 3. Income Tax Expense

The income tax expense represents the sum of the current income tax and deferred tax. Income tax for interim periods is accrued using the tax rate that would be applicable to the expected annual total earnings, applied to the pre-tax income for the interim period.

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

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

### 6. Cash and Cash Equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and working capital	\$ 1,945	\$ 2,105	\$ 4,876
Checks and demand deposits in banks	585,382	405,459	495,029
Cash equivalents (Investments with an initial maturity of less than 3 months) deposit account	<u>644,540</u>	<u>301,412</u>	<u>60,900</u>
	<u>\$ 1,231,867</u>	<u>\$ 708,976</u>	<u>\$ 560,805</u>

The interest rates of time deposits with original maturities within 3 months were 1.35%-5.14% and 1.55%-4.70% as of March 31, 2024 and 2023, and December 31, 2023, respectively.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial Assets – Current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward exchange contracts	\$ -	\$ 4,612	\$ 766
<u>Financial Liabilities – Current</u>			
Held-for-trading			
Derivatives (not designated for hedging)			
– Forward exchange contracts	\$ 1,703	\$ 71	\$ 523

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

March 31, 2024

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contractual Amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to NTD	2024.04.03-2024.04.10	USD 1,170/NTD 36,789
Forward foreign exchange sale	USD to THB	2024.04.03-2024.04.19	USD 2,460/THB 88,448

December 31, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contractual Amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	2024.01.04-2024.01.12	USD 11,000/RMB 78,313
Forward foreign exchange sale	USD to NTD	2024.01.05-2024.01.26	USD 5,920/NTD 184,148
Forward foreign exchange sale	USD to THB	2024.01.05	USD 1,200/THB 41,330

March 31, 2023

<u>Contract Content</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contractual Amount (NT\$ in thousands)</u>
Forward foreign exchange sale	USD to RMB	2023.04.07-2023.04.27	USD 11,000/RMB 75,587

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

For the years from January 1 to March 31, 2024 and 2023 respectively, the valuation losses on financial assets and liabilities at fair value through profit or loss were \$15,216 thousand and \$3,391 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Non-Current</u>			
Domestic Investments			
Unlisted shares			
Jin Lead Industrial Co., Ltd.			
– Common shares	\$ 5,479	\$ 5,479	\$ 5,252
Dah Chung Bills Finance Corp.			
– Common shares	<u>15</u>	<u>15</u>	<u>15</u>
	<u>\$ 5,494</u>	<u>\$ 5,494</u>	<u>\$ 5,267</u>

The Group invests in the common 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Time deposits with original maturities over 3 months (1)	<u>\$ 135,306</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Non-Current (Accounted for as Other Non-current Assets)</u>			
Pledge time deposit with an initial maturity of more than 3 months (2)	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

(1) The interest rates of time deposits with original maturities over 3 months were 1.71%-1.95%, 1.58%, and 1.58% as of March 31, 2024 and 2023, and December 31, 2023, respectively.

(2) Please refer to Note 27 for the information on pledges of financial assets measured at cost after amortization.

## 10. Notes and Accounts Receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Notes Receivable</u>			
Measured at Amortized Costs			
Gross carrying amount			
– Arising due to operations	<u>\$ 3,712</u>	<u>\$ 12,112</u>	<u>\$ 9,888</u>
<u>Trade Receivables</u>			
Measured at Amortized Costs			
Total carrying amount	\$ 778,932	\$ 915,809	\$ 1,123,707
Less: Loss allowances	<u>145,799</u>	<u>153,407</u>	<u>130,459</u>
	<u>\$ 633,133</u>	<u>\$ 762,402</u>	<u>\$ 993,248</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, 2024 and 2023, and December 31, 2023, respectively, the Group analyzed the notes receivable based on the number of days overdue, all of which were not overdue, and therefore no expected credit losses were provided for notes receivable.

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

March 31, 2024

	<b>No Indicators of Impairment for the Individual Asset Exists</b>			<b>Indicators of Impairment for the Individual Asset Exist</b>	<b>Total</b>
	<b>90 Days and Below</b>	<b>91 to 180 Days</b>	<b>181 Days and Above</b>		
Expected credit loss rate	0%-12.22%	0%-37.57%	0%-100%	100%	
Total carrying amount	\$ 615,371	\$ 21,059	\$ 53,006	\$ 89,496	\$ 778,932
Loss allowances (lifetime expected credit loss)	( 6,153 )	( 1,709 )	( 48,441 )	( 89,496 )	( 145,799 )
Amortized costs	<u>\$ 609,218</u>	<u>\$ 19,350</u>	<u>\$ 4,565</u>	<u>\$ -</u>	<u>\$ 633,133</u>

December 31, 2023

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

March 31, 2023

	<b>No Indicators of Impairment for the Individual Asset Exists</b>			<b>Indicators of Impairment for the Individual Asset Exist</b>	<b>Total</b>
	<b>90 Days and Below</b>	<b>91 to 180 Days</b>	<b>181 Days and Above</b>		
Expected credit loss rate	0%-8.76%	0%-25.71%	0%-100%	100%	
Total carrying amount	\$ 841,068	\$ 57,932	\$ 141,087	\$ 83,620	\$1,123,707
Loss allowances (lifetime expected credit loss)	( 1,562 )	( 741 )	( 44,536 )	( 83,620 )	( 130,459 )
Amortized costs	<u>\$ 839,506</u>	<u>\$ 57,191</u>	<u>\$ 96,551</u>	<u>\$ -</u>	<u>\$ 993,248</u>

Changes in loss allowances of trade receivables are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Beginning balance	\$ 153,407	\$ 126,386
Allowance in the current period	207	5,006
Write-off in the current period	( 10,266 )	-
Differences of foreign currency translation	<u>2,451</u>	( <u>933</u> )
Closing balance	<u>\$ 145,799</u>	<u>\$ 130,459</u>

## 11. Inventories

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Finished goods	\$ 3,305,117	\$ 3,420,574	\$ 3,574,544
Work in progress	1,020,073	1,143,094	1,960,615
Raw materials	223,669	216,138	260,650
Supplies	<u>217,019</u>	<u>209,879</u>	<u>284,701</u>
	<u>\$ 4,765,878</u>	<u>\$ 4,989,685</u>	<u>\$ 6,080,510</u>

The cost of sales related to inventories for the years January 1 to March 31, 2024 and 2023, was NT\$1,657,838 thousand and NT\$1,524,597 thousand, respectively. From January 1 to March 31, 2024, the cost of sales includes inventory valuation loss and obsolescence loss of NT\$3,315 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 Inventor Company</u>	<u>Name of the Subsidiary</u>	<u>Nature of Business</u>	<u>Percentage of Shares Held (%)</u>		
			<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
The Company	Everest Investment (Holding) Ltd.	Holdings and international trade	100	100	100
	Everest International Develop Investment Co., Ltd.	General investment	100	100	100
	Everest Textile (HK) Ltd.	International trade	99.3	99.3	99.3
Everest Investment (Holding) Limited	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100	100
	Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	100	100	100
Everest International Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Investment and holdings	100	100	100
	Everest Apparel (HK) Ltd.	Investment and holdings	100	100	100
Everest International (HK) Ltd.	Everest USA Holdings, Inc.	Investment and holdings	100	100	100
Everest USA Holdings, Inc.	Everest Development USA, LLC	Operating asset management	100	100	100
	Everest Textile USA, LLC	Production and dyeing of yarn and woven fabrics	100	100	100
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Apparel production	100	100	100
	Everest Apparel (Haiti) S.A.	Apparel production	100	100	100

### 13. Property, Plant and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixtures</u>	<u>Other Equipment</u>	<u>Construction in Progress and Equipment to Be Tested</u>	<u>Total</u>
<u>Costs</u>								
Balance as of January 1, 2024	\$ 708,039	\$ 2,239,670	\$ 5,840,924	\$ 75,670	\$ 434,708	\$ 1,471,212	\$ 121,706	\$10,891,929
Additions	44	18,723	31,671	571	8,150	25,147	29,095	113,401
Disposals	-	( 6,702)	( 43,185)	( 1,690)	( 3,617)	( 651)	-	( 55,845)
Net exchange difference	665	4,448	95,102	1,184	331	19,808	( 2,179)	119,359
Balance as of March 31, 2024	<u>\$ 708,748</u>	<u>\$ 2,256,139</u>	<u>\$ 5,924,512</u>	<u>\$ 75,735</u>	<u>\$ 439,572</u>	<u>\$ 1,515,516</u>	<u>\$ 148,622</u>	<u>\$11,068,844</u>
<u>Accumulated Depreciation</u>								
Balance as of January 1, 2024	\$ -	\$ 1,252,751	\$ 3,373,552	\$ 57,062	\$ 290,777	\$ 867,031	\$ -	\$ 5,841,173
Depreciation expenses	-	21,302	91,806	2,488	10,103	40,866	-	166,565
Disposals	-	( 6,702)	( 43,185)	( 1,690)	( 3,615)	( 651)	-	( 55,843)
Net exchange difference	-	( 4,960)	47,959	884	( 162)	3,926	-	47,647
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 1,262,391</u>	<u>\$ 3,470,132</u>	<u>\$ 58,744</u>	<u>\$ 297,103</u>	<u>\$ 911,172</u>	<u>\$ -</u>	<u>\$ 5,999,542</u>
Net as of December 31, 2023 and January 1, 2024	<u>\$ 708,039</u>	<u>\$ 986,919</u>	<u>\$ 2,467,372</u>	<u>\$ 18,608</u>	<u>\$ 143,931</u>	<u>\$ 604,181</u>	<u>\$ 121,706</u>	<u>\$ 5,050,756</u>
Net as of March 31, 2024	<u>\$ 708,748</u>	<u>\$ 993,748</u>	<u>\$ 2,454,380</u>	<u>\$ 16,991</u>	<u>\$ 142,469</u>	<u>\$ 604,344</u>	<u>\$ 148,622</u>	<u>\$ 5,069,302</u>
<u>Costs</u>								
Balance on January 1, 2023.	\$ 707,579	\$ 2,201,219	\$ 6,010,101	\$ 88,856	\$ 443,059	\$ 1,553,361	\$ 100,995	\$11,105,170
Additions	-	4,705	59,589	2,985	5,311	23,925	7,070	103,585
Disposals	-	( 1,729)	( 34,670)	( 1,006)	( 1,531)	( 15,417)	-	( 54,353)
Net exchange difference	( 98)	( 367)	( 3,128)	( 127)	129	( 4,916)	326	( 8,181)
Balance as of March 31, 2023	<u>\$ 707,481</u>	<u>\$ 2,203,828</u>	<u>\$ 6,031,892</u>	<u>\$ 90,708</u>	<u>\$ 446,968</u>	<u>\$ 1,556,953</u>	<u>\$ 108,391</u>	<u>\$11,146,221</u>
<u>Accumulated Depreciation and Impairment</u>								
Balance on January 1, 2023.	\$ -	\$ 1,175,908	\$ 3,262,829	\$ 60,934	\$ 266,555	\$ 792,111	\$ -	\$ 5,558,337
Depreciation expenses	-	21,975	98,211	3,378	11,631	43,043	-	178,238
Disposals	-	( 1,729)	( 34,670)	( 1,006)	( 1,526)	( 15,417)	-	( 54,348)
Net exchange difference	-	1,411	4,435	( 85)	272	( 233)	-	5,800
Balance as of March 31, 2023	<u>\$ -</u>	<u>\$ 1,197,565</u>	<u>\$ 3,330,805</u>	<u>\$ 63,221</u>	<u>\$ 276,932</u>	<u>\$ 819,504</u>	<u>\$ -</u>	<u>\$ 5,688,027</u>
Net as of March 31, 2023	<u>\$ 707,481</u>	<u>\$ 1,006,263</u>	<u>\$ 2,701,087</u>	<u>\$ 27,487</u>	<u>\$ 170,036</u>	<u>\$ 737,449</u>	<u>\$ 108,391</u>	<u>\$ 5,458,194</u>

From January 1 to March 31, 2024 and 2023, the consolidated company has no unrecognized or reversal impairment losses.

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

#### Buildings

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

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

## 14. Lease Agreements

### (1) Right-of-Use Asset

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amount of right-of-use assets			
Buildings	\$ 394,745	\$ 360,835	\$ 459,079
Transportation equipment	<u>3,355</u>	<u>2,558</u>	<u>3,155</u>
	<u>\$ 398,100</u>	<u>\$ 363,393</u>	<u>\$ 462,234</u>
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>	
Addition of right-of-use assets	<u>\$ 46,449</u>	<u>\$ 581</u>	
Depreciation expense of right-of-use assets			
Buildings	\$ 25,616	\$ 26,206	
Transportation equipment	<u>497</u>	<u>408</u>	
	<u>\$ 26,113</u>	<u>\$ 26,614</u>	

### (2) Lease Liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amount of lease liabilities			
Current	<u>\$ 87,421</u>	<u>\$ 76,920</u>	<u>\$ 98,523</u>
Non-current	<u>\$ 365,708</u>	<u>\$ 339,602</u>	<u>\$ 413,677</u>

The discount rate ranges for lease liabilities are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Buildings	1.05%-4.12%	1.05%-4.12%	1.01%-4.12%
Transportation equipment	1.06%-2.03%	1.06%-2.03%	1.06%-1.82%

### (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>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Short-term lease expenses	<u>\$ 4,057</u>	<u>\$ 7,363</u>
Total cash outflows on lease	<u>\$ 32,301</u>	<u>\$ 39,808</u>

## 15. Other Assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Prepaid expenses	\$ 47,208	\$ 58,916	\$ 45,714
Prepayments for goods	36,735	36,846	132,878
Prepaid sales tax	14,923	20,596	24,008
Refundable deposits	601	734	729
Others	<u>6,863</u>	<u>3,568</u>	<u>24,239</u>
	<u>\$ 106,330</u>	<u>\$ 120,660</u>	<u>\$ 227,568</u>
<u>Non-Current</u>			
Prepayments for business facilities	\$ 171,450	\$ 132,294	\$ 116,336
Refundable deposits	17,725	16,834	17,934
Others	<u>100</u>	<u>100</u>	<u>100</u>
	<u>\$ 189,275</u>	<u>\$ 149,228</u>	<u>\$ 134,370</u>

## 16. Borrowings

### (1) Short-Term Borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Bank credit borrowings	\$ 1,110,000	\$ 1,075,000	\$ 864,300
Bank secured borrowings	1,104,920	776,572	1,942,636
Bank mortgage borrowings	<u>900,000</u>	<u>730,000</u>	<u>198,518</u>
	<u>\$ 3,114,920</u>	<u>\$ 2,581,572</u>	<u>\$ 3,005,454</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Bank credit borrowings	1.82%-1.94%	1.80%-1.91%	1.70%-3.83%
Bank secured borrowings	2.34%-7.62%	2.37%-7.63%	2.25%-8.39%
Bank mortgage borrowings	1.82%	1.82%	2.94%-3.26%



(2) Short-Term Notes and Bills Payable

March 31, 2024

<u>Promissory Institution</u>	<u>Nominal Amount</u>	<u>Discount Amount</u>	<u>Carrying Amount</u>	<u>Interest Rate Range (%)</u>	<u>Name of the Collateral</u>
<u>Commercial Paper Payable</u>					
International bills	\$ 250,000	\$ 107	\$ 249,893	1.42	None
Ta Ching bills	100,000	77	99,923	1.56	None
Ta Ching bills	50,000	5	49,995	1.75	None
Grand bills	300,000	318	299,682	1.55	None
Mega Bills					
Finance Co., Ltd.	350,000	401	349,599	1.67	None
China bills	<u>350,000</u>	<u>369</u>	<u>349,631</u>	1.54	None
	<u>\$1,400,000</u>	<u>\$ 1,277</u>	<u>\$1,398,723</u>		

December 31, 2023

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

March 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>					
Mega Bills Finance					
Co., Ltd.	\$ 350,000	\$ 86	\$ 349,914	1.50	None
Taiwan Cooperative					
Holdings Bills	100,000	26	99,974	1.59	None
China bills	50,000	45	49,955	1.30	None
China bills	90,000	109	89,891	1.30	None
Grand bills	<u>300,000</u>	<u>308</u>	<u>299,692</u>	1.50	None
	<u>\$ 890,000</u>	<u>\$ 574</u>	<u>\$ 889,426</u>		

(3) Long-Term Loans

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Unsecured Borrowings</u>			
Bank credit borrowings	\$ 625,000	\$ 780,000	\$ 875,000
<u>Secured Borrowings</u>			
Bank mortgage borrowings	<u>-</u>	<u>38,615</u>	<u>651,766</u>
	625,000	818,615	1,526,766
Less: Those that mature within one year	<u>237,500</u>	<u>380,000</u>	<u>602,500</u>
	<u>\$ 387,500</u>	<u>\$ 438,615</u>	<u>\$ 924,266</u>

The maturity dates for the aforementioned bank loans gradually expire before December 2025. The annual interest rate as of March 31, 2024 and 2023, and December 31, 2023, is 1.91%-2.18%, 1.69%-3.76% and 1.78%-4.20%, 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other Payables			
Payable for salaries or bonuses	\$ 97,176	\$ 180,311	\$ 102,323
Payable for pension	28,318	31,350	29,452
Payable for annual leave	25,486	26,907	24,593
Payable for utilities	19,960	24,128	19,337
Payable for labor and health insurance	18,937	21,851	19,590
Payable for shipping expenses	14,518	25,120	11,140
Payables on equipment	9,627	17,858	5,336
Payable for commissions	5,885	4,427	6,347
Payable for processing expenses	3,705	2,205	3,312
Payable for employees' compensation	1,225	1,095	1,207
Others	<u>164,483</u>	<u>142,510</u>	<u>131,199</u>
	<u>\$ 389,320</u>	<u>\$ 477,762</u>	<u>\$ 353,836</u>
Other Liabilities			
Receipts under custody	\$ 32,996	\$ 13,876	\$ 21,850
Deferred revenue	9,375	7,500	-
Guarantee Deposits	2,490	3,355	2,981
Others	<u>2,589</u>	<u>4,668</u>	<u>2,199</u>
	<u>\$ 47,450</u>	<u>\$ 29,399</u>	<u>\$ 27,030</u>

## 19. Post-Employment Benefit Plans

The post-employment benefit expenses recognized for the defined benefit plans from January 1 to March 31, 2024 and 2023 were calculated based on the retirement pension cost rates determined by actuarial valuations as of December 31, 2023 and 2022, amounting to NT\$8,035 thousand and NT\$8,255 thousand, respectively.

## 20. Equity

### (1) Capital - Common Shares

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

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

### (2) Capital Surplus

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>May Be Used to Offsetting a Deficit, Distributed as Cash Dividends, or Transferred to Share Capital</u>			
Premium on issuance of shares	\$ 16,299	\$ 16,299	\$ 16,299
Treasury share transactions (Note)	<u>99,644</u>	<u>99,644</u>	<u>99,644</u>
	<u>\$ 115,943</u>	<u>\$ 115,943</u>	<u>\$ 115,943</u>

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

### (3) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (hereinafter referred to as "the Articles"), where the Company made profits in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any unappropriated earnings from the previous year shall be used as earnings available for appropriation. Such earnings shall be distributed as shareholders' dividends equally based on the number of all shares, provided that a portion of such

earning may be retained in accordance with the business conditions. However, in case of capital increases, the incremental shares shall be appropriated in accordance with the respective resolution made in the shareholders' meetings. For the Company's policies on the distribution of employees' compensation and remuneration of directors, refer to Note 22-8 "Employees' compensation and remuneration of directors and supervisors."

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

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

At the board of directors meeting held on March 6, 2024, the Company proposed a plan for making up the deficit for the fiscal year 2023, and at the Annual General Meeting of shareholders held on June 9, 2023, the distribution of surplus for the fiscal year 2022 was approved as follows:

	<u><b>Earnings Distribution</b></u>
	<u><b>2022</b></u>
Legal reserve provided	<u>\$ 6,400</u>
Special reserve provided	<u>\$ 57,608</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 for Current Period	Decrease for Current Period	At End of the Period		
				Shares	Carrying Amount	Market Price
January 1 to March 31, 2024						
Shares of the Company held by subsidiaries as a deduction to equity	<u>20,178</u>	<u>-</u>	<u>-</u>	<u>20,178</u>	<u>\$332,836</u>	<u>\$168,079</u>
January 1 to March 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>\$154,156</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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue from the sales of goods	<u>\$ 1,933,101</u>	<u>\$ 1,926,820</u>

### (1) Contract Balance

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable	<u>\$ 3,712</u>	<u>\$ 12,112</u>	<u>\$ 9,888</u>	<u>\$ 54,553</u>
Trade receivables	<u>\$ 633,133</u>	<u>\$ 762,402</u>	<u>\$ 993,248</u>	<u>\$ 1,149,237</u>
Contract liabilities – current				
Sales of goods	<u>\$ 30,324</u>	<u>\$ 29,015</u>	<u>\$ 37,589</u>	<u>\$ 56,820</u>

### (2) Disaggregation of Revenue from Contracts with Customers

	January 1 to March 31, 2024	January 1 to March 31, 2023
Finished fabric	\$ 1,802,127	\$ 1,609,086
Draw textured yarn	81,215	113,251
Others	<u>49,759</u>	<u>204,483</u>
	<u>\$ 1,933,101</u>	<u>\$ 1,926,820</u>

## 22. Net Profit Before Tax

### (1) Net Amount of Other Operating Income and Expenses

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Gains (losses) on disposal of property, plant and equipment	( \$ <u>          2</u> )	\$ <u>          193</u>

### (2) Interest Income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Bank deposits	\$ <u>         1,497</u>	\$ <u>         1,444</u>

### (3) Other Income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Accommodation revenue	\$           9,725	\$           4,504
Others	<u>          23,426</u>	<u>          7,252</u>
	<u>\$       33,151</u>	<u>\$       11,756</u>

### (4) Other Gains and Losses

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net gains (losses) on foreign currency exchange	\$       66,003	( \$       23,440 )
Financial liabilities losses at fair value through profit or loss	(       15,216 )	(       3,391 )
Others	<u>          674</u>	( <u>         1,617</u> )
	<u>\$       51,461</u>	( <u>\$       28,448</u> )

### Net foreign currency exchange profit or loss

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Total amount of gains on foreign currency exchange	\$       155,662	\$       116,475
Total amount of losses on foreign currency exchange	( <u>         89,659</u> )	( <u>         139,915</u> )
	<u>\$       66,003</u>	( <u>\$       23,440</u> )

(5) Interest Expenses

	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Interests on bank borrowings	\$ 34,499	\$ 54,017
Interest on lease liabilities	1,791	2,059
Less: Amounts included in the cost of required assets	<u>615</u>	<u>395</u>
	<u>\$ 35,675</u>	<u>\$ 55,681</u>

Information related to interest capitalization is as follows:

	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Amount of interest capitalization	\$ 615	\$ 395
Interest rate on interest capitalization	1.91%	1.86%

(6) Depreciation Expenses

	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
An analysis of depreciation by function		
Operating costs	\$ 169,339	\$ 183,162
Operating expenses	<u>23,339</u>	<u>21,690</u>
	<u>\$ 192,678</u>	<u>\$ 204,852</u>

(7) Employee Benefits Expenses

	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Short-term employee benefits	<u>\$ 417,823</u>	<u>\$ 474,122</u>
Retirement benefits		
Defined contribution plans	15,753	24,496
Defined benefit plans (Note 19)	<u>8,035</u>	<u>8,255</u>
	<u>23,788</u>	<u>32,751</u>
	<u>\$ 441,611</u>	<u>\$ 506,873</u>
Summary by function		
Operating costs	\$ 299,649	\$ 369,750
Operating expenses	<u>141,962</u>	<u>137,123</u>
	<u>\$ 441,611</u>	<u>\$ 506,873</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. Due to the accumulated losses from January 1 to March 31, 2024, the Company has no estimation on employees' compensation and

directors' remuneration. The estimated employee compensation and director compensation in the period from January 1 to March 31, 2023 are as follows:

Estimated Percentage

	<u>January 1 to March 31, 2023</u>
Employees' compensation	2%
Directors' remuneration	-

Amount

	<u>January 1 to March 31, 2023</u>
Employees' compensation	<u>\$ 112</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.

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

	<u>Cash</u> <u>2022</u>
Employees' compensation	<u>\$ 906</u>
Directors' remuneration	<u>\$ -</u>

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

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



## 23. Income Tax

### (1) Income Tax Expense Recognized in Profit or Loss

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Current income tax		
Current amount generated	\$ <u>23,769</u>	\$ <u>12,277</u>

### (2) Income Tax Assessments

Except for the fiscal year 2020, as of the fiscal year 2022, the Company and its subsidiary Everest International Develop Investment Co., Ltd.'s profit-seeking enterprise income tax return cases for the fiscal year 2022 have been reviewed and approved by the tax authorities.

## 24. Earnings per Share

Net income and weighted average number of common shares used for calculation of earnings per share are as follows:

### Net Profit for the Period

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net profit attributable to owners of parent company	\$ <u>6,763</u>	\$ <u>5,503</u>

### Shares

Unit: thousand shares

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Basic earnings 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>
Weighted average number of common shares used for calculation of basic earnings per share	674,465	674,465
Impacts of potential ordinary shares with dilution effect		
Employees' compensation	<u>-</u>	<u>101</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>674,465</u>	<u>674,566</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.

## 25. Financial Instruments

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

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

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

#### 1. Fair Value Hierarchy

March 31, 2024

	<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 Liabilities at Fair Value Through Profit or Loss</u>				
Derivative instruments				
– Forward exchange contract	\$ -	\$ 1,703	\$ -	\$ 1,703

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

March 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	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  5,267</u>	\$ <u>  5,267</u>
<u>Financial Assets at Fair Value Through Profit or Loss</u>				
Derivative instruments				
– Forward exchange contract	\$ <u>          -</u>	\$ <u>   766</u>	\$ <u>          -</u>	\$ <u>   766</u>
<u>Financial Liabilities at Fair Value Through Profit or Loss</u>				
Derivative instruments				
– Forward exchange contract	\$ <u>          -</u>	\$ <u>   523</u>	\$ <u>          -</u>	\$ <u>   523</u>

There was no transfer between Level 1 and Level 2 fair value measurements during January 1 to March 31, 2024 and 2023 respectively.

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

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

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

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

### (3) Categories of Financial Instruments

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial Assets</u>			
Financial assets at amortized cost (Note 1)	\$ 2,051,974	\$ 1,534,856	\$ 1,614,761
Financial assets at fair value through profit or loss – Designated at fair value through profit or loss	-	4,612	766
<u>Financial Assets at Fair Value Through Other Comprehensive Income – Non-current</u>			
Investments in equity instruments	5,494	5,494	5,267
<u>Financial Liabilities</u>			
Measured at amortized costs (Note 2)	6,012,536	5,773,917	6,206,694
Financial assets at fair value through profit or loss – Designated at fair value through profit or loss	1,703	71	523

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

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

### (4) Financial Risk Management Objectives and Policies

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

market risk (including foreign currency risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

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

#### 1. Market Risk

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

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

##### (1) Foreign Currency Risk

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

The carrying amounts of monetary assets and monetary liabilities (including monetary items not denominated in the functional currency being written-off in the consolidated financial statements) not denominated in the functional currency of the Group at the end of the reporting period are set out in Note 29.

##### Sensitivity Analysis

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

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

	<b>USD Impact</b>	
	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Profit or loss	\$ 17,283	\$ 15,637

  

	<b>THB Impact</b>	
	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Profit or loss	\$ -	\$ 312

  

	<b>ETB Impact</b>	
	<b>January 1 to March 31, 2024</b>	<b>January 1 to March 31, 2023</b>
Profit or loss	\$ 907	\$ 1,623

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:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 779,946	\$ 301,512	\$ 61,000
Financial liabilities	4,463,252	4,017,431	4,481,924
With cash flow interest rate risk			
Financial assets	555,146	372,537	446,763
Financial liabilities	1,128,520	1,148,615	1,451,922

Sensitivity Analysis

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

If the interest rate increases/decreases by 1%, with all other variables held constant, the net profit before tax for the years from January 1 to March 31, 2024 and 2023 would decrease by \$1,433 thousand and \$2,513 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

### (3) Other Price Risk

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

#### Sensitivity Analysis

The sensitivity analysis below was conducted based on the Company's exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, other comprehensive income before tax for the years January 1 to March 31, 2024 and 2023 would have increased/decreased by NT\$55 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.

March 31, 2024

	<b>Payment on Demand or Less Than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 to 12 Months</b>	<b>1 to 5 Years</b>	<b>5 Years and Above</b>
<u>Non-Derivative Financial Liabilities</u>					
Non-interest-bearing liabilities	\$ 467,914	\$ 295,036	\$ 110,223	\$ 720	\$ -
Lease liabilities	9,351	17,138	68,958	252,853	123,552
Floating rate instruments	76,158	285,775	385,165	412,782	-
Fixed rate instruments	<u>2,219,039</u>	<u>1,804,871</u>	-	-	-
	<u>\$2,772,462</u>	<u>\$2,402,820</u>	<u>\$ 564,346</u>	<u>\$ 666,355</u>	<u>\$ 123,552</u>

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

	<b>Less Than 1 Year</b>	<b>1 to 5 Years</b>	<b>5 to 10 Years</b>	<b>10 to 15 Years</b>
Lease liabilities	<u>\$ 95,447</u>	<u>\$ 252,853</u>	<u>\$ 123,552</u>	<u>\$ -</u>

December 31, 2023

	<b>Payment on Demand or Less Than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 to 12 Months</b>	<b>1 to 5 Years</b>	<b>5 Years and Above</b>
<u>Non-Derivative Financial Liabilities</u>					
Non-interest-bearing liabilities	\$ 556,914	\$ 373,099	\$ 93,610	\$ 770	\$ -
Lease liabilities	7,801	15,863	58,885	222,622	127,671
Floating rate instruments	22,539	406,046	286,147	465,792	-
Fixed rate instruments	<u>3,229,368</u>	<u>381,379</u>	-	-	-
	<u>\$3,816,622</u>	<u>\$1,176,387</u>	<u>\$ 438,642</u>	<u>\$ 689,184</u>	<u>\$ 127,671</u>



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

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>
Lease liabilities	\$ 82,549	\$ 222,622	\$ 127,671	\$ -

March 31, 2023

	<u>Payment on Demand or Less Than 1 Month</u>	<u>1 to 3 Months</u>	<u>3 to 12 Months</u>	<u>1 to 5 Years</u>	<u>5 Years and Above</u>
<u>Non-Derivative Financial Liabilities</u>					
Non-interest-bearing liabilities	\$ 303,707	\$ 350,518	\$ 130,053	\$ 770	\$ -
Lease liabilities	7,946	15,979	81,691	272,699	158,224
Floating rate instruments	12,523	188,085	615,873	686,461	-
Fixed rate instruments	<u>3,301,908</u>	<u>402,117</u>	<u>-</u>	<u>280,000</u>	<u>-</u>
	<u>\$3,626,084</u>	<u>\$ 956,699</u>	<u>\$ 827,617</u>	<u>\$1,239,930</u>	<u>\$ 158,224</u>

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

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>
Lease liabilities	\$ 105,616	\$ 272,699	\$ 158,224	\$ -

(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.

March 31, 2024

	<u>Payment on Demand or Less Than 1 Month</u>	<u>1 to 3 Months</u>
<u>Total Amount of Delivery</u>		
Forward exchange contracts		
— Inflow	\$ -	\$ -
— Outflow	( <u>1,703</u> )	<u>-</u>
	( <u>\$ 1,703</u> )	<u>\$ -</u>

December 31, 2023

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

March 31, 2023

	<b>Payment on Demand or</b>	
	<b><u>Less Than 1 Month</u></b>	<b><u>1 to 3 Months</u></b>
<u>Total Amount of Delivery</u>		
Forward exchange contracts		
– Inflow	\$ 766	\$ -
– Outflow	( <u>523</u> )	<u>-</u>
	<u>\$ 243</u>	<u>\$ -</u>

## 26. Related-Party Transactions

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

### (1) Names and Relations of Related Parties

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

(2) Sales of Goods

<u>Category of Related Party</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Other related parties	<u>\$ 7,977</u>	<u>\$ 892</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>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Investors with significant influence over the Company	\$ 67,716	\$ 44,418
Other related parties	<u>65,332</u>	<u>58,367</u>
	<u>\$ 133,048</u>	<u>\$ 102,785</u>

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

(4) Accounts Receivable from Related Parties

<u>Line Items</u>	<u>Category of Related Party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	Other related parties	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ -</u>
Trade receivables	Investors with significant influence over the Company	\$ -	\$ 13	\$ -
	Other related parties	<u>2,286</u>	<u>-</u>	<u>268</u>
		<u>\$ 2,286</u>	<u>\$ 13</u>	<u>\$ 268</u>
Other receivables	Investors with significant influence over the Company	\$ 38	\$ 44	\$ -
	Other related parties	<u>335</u>	<u>25</u>	<u>-</u>
		<u>\$ 373</u>	<u>\$ 69</u>	<u>\$ -</u>

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

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

<u>Line Items</u>	<u>Category/Name of Related Parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes payable to related parties	Investors with significant influence over the Company			
	Far Eastern New Century Corporation (FENC)	<u>\$ 31,691</u>	<u>\$ 42,260</u>	<u>\$ 6,200</u>
Trade payables to related parties	Investors with significant influence over the Company	\$ 13,907	\$ 17,676	\$ 363
	Other related parties	<u>31,778</u>	<u>23,945</u>	<u>22,434</u>
		<u>\$ 45,685</u>	<u>\$ 41,621</u>	<u>\$ 22,797</u>
Other payables to related parties	Investors with significant influence over the Company	\$ -	\$ 1,332	\$ -
	Other related parties			
	Everest Shanghai	40,538	34,834	33,140
	Others	<u>824</u>	<u>-</u>	<u>-</u>
		<u>\$ 41,362</u>	<u>\$ 36,166</u>	<u>\$ 33,140</u>

The outstanding payables to related parties are not guaranteed.

(6) Lease Agreements

<u>Line Items</u>	<u>Category/Name of Related Parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Lease liabilities	Other related parties			
	Everest Investment (Holding) Limited	<u>\$ 60,973</u>	<u>\$ 65,164</u>	<u>\$ 86,330</u>

<u>Category of Related Party</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Interest Expenses</u>		
Other related parties	<u>\$ 626</u>	<u>\$ 882</u>

(7) Borrowings from Related Parties

<u>Category/Name of Related Parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Other Related Parties (included in short-term and long-term borrowings)</u>			
FEIB	<u>\$ 900,000</u>	<u>\$ 730,000</u>	<u>\$ 510,000</u>

### Interest Expenses

<u>Category/Name of Related Parties</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Other Related Parties</u>		
FEIB	\$ <u>4,425</u>	\$ <u>2,956</u>

In order to apply for the credit line, the Company provided land, buildings and machinery as collateral for the credit line from FEIB to other related parties. The book value of the mortgaged assets as of March 31, 2024 and 2023, and December 31, 2023, was NT\$1,009,169 thousand, NT\$1,124,967 thousand, and NT\$1,036,638 thousand, respectively.

#### (8) Other Transactions with Related Parties

##### 1. Processing Expenses

The consolidated company has entrusted Jin Lead Industrial Co., Ltd., a related party, to process on its behalf. The processing expenses recognized from January 1 to March 31, 2024 and 2023, were NT\$6,151 thousand and NT\$5,273 thousand, respectively. The aforementioned processing fee is priced according to the general transaction price, and the payment period is 1 to 2 months, which is the same as general processing factories.

##### 2. Energy Expenses

<u>Category/Name of Related Parties</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Other related parties		
Everest Shanghai	\$ <u>46,378</u>	\$ <u>46,637</u>

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

#### (9) Compensation of Key Management Personnel

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Short-term employee benefits	\$ 8,748	\$ 6,702
Retirement benefits	<u>380</u>	<u>547</u>
	\$ <u>9,128</u>	\$ <u>7,249</u>

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

## 27. Assets Pledged as Security

The following assets are provided as collateral for short-term and long-term financing limits:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land	\$ 511,784	\$ 512,654	\$ 512,455
Buildings	233,152	237,728	250,654
Machinery and equipment	516,693	542,009	621,675
Financial assets at amortized cost			
– Non-current (accounted as other non-current assets)			
– Pledged bank time deposits	<u>100</u>	<u>100</u>	<u>100</u>
	<u>\$ 1,261,729</u>	<u>\$ 1,292,491</u>	<u>\$ 1,384,884</u>

## 28. Significant Contingent Liabilities and Unrecognized Contractual Commitments

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

### Significant Commitments

- (1) As of March 31, 2024 and December 31, 2023, the Group participated in the “Brand Low-Carbon Circular Fashion Textile Products Demonstration Development Project,” “Small and Medium-sized Manufacturing Industry Low-Carbon and Intelligent Upgrading and Transformation Subsidy” and “5G Dedicated Frequency and Network Realization of Factory Intelligent Logistics AGV System Project” of the Ministry of Economic Affairs and the Ministry of Digital Development. The total amounts of the guarantee provided by Mega Bank were all \$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\$6,695 thousand, NT\$6,796 thousand and NT\$6,829 thousand (all translated into THB7,573 thousand on March 31, 2024 and 2023, and December 31, 2023) as of March 31, 2024 and 2023, and December 31, 2023, respectively.
- (3) As of March 31, 2024 and 2023, and December 31, 2023, the Group’s unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT\$22,400 thousand, NT\$21,315 thousand and NT\$31,688 thousand, respectively.
- (4) The Group’s contractual commitments that were contracted for but not realized are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Purchase of property, plant and equipment	<u>\$ 146,026</u>	<u>\$ 172,060</u>	<u>\$ 132,487</u>

## 29. Significant Assets and Liabilities Denominated in Foreign Currencies

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

March 31, 2024

Unit: foreign currencies and NT\$ in thousand

<u>Financial Assets</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 40,712	32 (USD to NTD)	\$ 1,302,779
USD	16,729	36.199 (USD to THB)	535,331
USD	5,615	7.260 (USD to RMB)	179,672
ETB	173,297	0.0175 (ETB to USD)	96,966
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	7,431	32 (USD to NTD)	237,777
USD	1,350	36.199 (USD to THB)	43,189
USD	266	7.260 (USD to RMB)	8,515
ETB	11,273	0.0175 (ETB to USD)	6,308

December 31, 2023

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

March 31, 2023

<u>Financial Assets</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 20,029	30.45 (USD to NTD)	\$ 609,890
USD	22,628	33.935 (USD to THB)	689,033
USD	19,480	6.872 (USD to RMB)	593,157
THB	34,744	0.8973 (THB:NTD)	31,176
ETB	296,571	0.0184 (ETB to USD)	165,876
USD	\$ 7,692	30.45 (USD to NTD)	\$ 234,236
USD	2,341	33.935 (USD to THB)	71,279
USD	750	6.872 (USD to RMB)	22,833
ETB	6,352	0.0184 (ETB to USD)	3,553

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

<u>Functional Currency</u>	<u>January 1 to March 31, 2024</u>		<u>January 1 to March 31, 2023</u>	
	<u>Functional Currency Translated into Presentation Currency</u>	<u>Net Exchange (Losses) Gains</u>	<u>Functional Currency Translated into Presentation Currency</u>	<u>Net Exchange (Losses) Gains</u>
USD	31.448 (USD to NTD)	( \$ 3,371 )	30.395 (USD to NTD)	( \$ 2,068 )
NTD	1 (NTD to NTD)	46,186	1 (NTD to NTD)	( 8,480 )
RMB	4.4274 (RMB to NTD)	9,279	4.4425 (RMB to NTD)	( 5,951 )
THB	0.8870 (THB to NTD)	13,902	0.9009 (THB to NTD)	( 6,951 )
HKD	4.0210 (HKD to NTD)	7	3.8780 (HKD to NTD)	10
		<u>\$ 66,003</u>		<u>( \$ 23,440 )</u>



### 30. 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 end of period (excluding investee subsidiaries). (Table 3)
4. Cumulative purchase or sales of securities of the same company with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
5. Properties acquired with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
6. Disposal of properties with an amount achieving NT\$300,000 thousand or reaching 20% of its paid-in capital and above. (None)
7. Purchases and sales with related parties with an amount achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 4)
8. Receivables from related parties achieving NT\$100,000 thousand or reaching 20% of its paid-in capital and above. (Table 5)
9. Engaging in derivatives trading. (Note 7)
10. Other: Business relationships and status and amount of significant transactions between the parent company and subsidiaries and between the respective subsidiaries. (Table 9)

#### (2) Information on Investees (Table 6)

#### (3) Information on Investment in Mainland China:

1. Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, profit or loss and investment gain or loss recognized for the period, carrying amount of investment at the end of the period, repatriated investment gain or loss, and ceiling of investments in mainland China. (Table 7)
2. Significant transactions directly with investee companies in mainland China or directly or indirectly through a third region, and their prices, payment terms, unrealized profit or loss. (Tables 4, 5, 8, and 9)

- (1) Purchase amount and percentage, and the closing balance and percentage of the related payables.
  - (2) Sales amount and percentage, and the closing balance and percentage of the related receivables.
  - (3) Property transaction amount and the resulting profit or loss.
  - (4) Closing balances and purposes of endorsements and guarantees or collateral provided.
  - (5) The maximum balance, closing balance, interest rate range, and total amount of current interest of financing facilities.
  - (6) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.
- (4) Information on Major Shareholders: Names, shareholdings, and shareholding ratio of shareholders with a shareholding ratio of 5% or more. (Table 10)

### **31. Department Information**

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

Textile Department – textile production

Investment Department – general investment

- (1) Department revenue and operating results

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

	<u>Textile Segment</u>	<u>Investment Segment</u>	<u>Total</u>
<u>January 1 to March 31, 2024</u>			
Department revenue			
– from external customers	\$ <u>1,933,101</u>	\$ <u>-</u>	\$ <u>1,933,101</u>
Segment loss	( \$ <u>19,611</u> )	( \$ <u>291</u> )	( \$ <u>19,902</u> )
Interest Income			1,497
Interest Expenses			( <u>35,675</u> )
Net amount of other non-operating income			<u>84,612</u>
Net Profit Before Tax			<u>\$ <u>30,532</u></u>

January 1 to March 31, 2023

Department revenue			
– from external customers	\$ <u>1,926,820</u>	\$ <u>-</u>	\$ <u>1,926,820</u>
Segment profits (losses)	\$ <u>88,921</u>	( \$ <u>213</u> )	\$ <u>88,708</u>
Interest Income			1,444
Interest Expenses			( <u>55,681</u> )
Net amount of other non-operating income			( <u>16,692</u> )
Net Profit Before Tax			<u>\$ <u>17,779</u></u>

The revenue of reportable departments set out above were generated from transactions with external customers; there were no intra-department sales from January 1 to March 31, 2024 and 2023.

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

(2) Total Department Assets

<u>Segment Assets</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Textile segment	\$ 12,697,537	\$ 12,332,464	\$ 14,097,351
Investment segment	<u>15,201</u>	<u>13,809</u>	<u>7,506</u>
Consolidated total assets	<u>\$ <u>12,712,738</u></u>	<u>\$ <u>12,346,273</u></u>	<u>\$ <u>14,104,857</u></u>

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

**CAPITAL LOANS TO OTHERS**

January 1 to March 31, 2024

**Table 1**

Unit: NT\$ thousand

Code	Financing Company	Borrower	Current Account	Related Party or not	Current Maximum Balance	Closing Balance	Actual Amount Utilized (Note 4)	Interest Rate Range (%)	Nature of the Loan (Note 3)	Transaction Amount	Reason for the Necessity of Short-Term Financing	Allowance for Doubtful Debts Provided	Collateral		Credit Limit for the Individual Borrower	Total Limit on Loans Provided
													Name	Value		
0	The Company	Everest International (HK) Ltd.	Other receivables from related parties	Yes	\$ 480,000	\$ 480,000	\$ 160,000	2	2.	\$ -	Working capital	\$ -	None	\$ -	\$ 1,185,478 (Note 1)	\$ 2,370,957 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	369,920	369,920	101,386	1.95-2	2	-	Working capital	-	None	-	1,875,795 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	547,200	547,200	547,200	1.95-2	2	-	Working capital	-	None	-	1,875,795 (Note 1)	
					<u>\$ 1,397,120</u>	<u>\$ 1,397,120</u>	<u>\$ 808,586</u>									
1	Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	\$ 528,295	\$ 528,295	\$ 528,295	6.28-6.43	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	2,915,300 (Note 2)
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	24,096	24,096	19,207	6.28-6.43	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	69,760	69,760	-	-	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	46,400	46,400	-	-	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	56,979	56,979	56,979	6.28-6.43	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	29,440	29,440	-	-	2.	-	Working capital	-	None	-	1,749,180 (Note 1)	
							<u>\$ 754,970</u>	<u>\$ 754,970</u>	<u>\$ 604,481</u>							
2	Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Other receivables from related parties	Yes	\$ 416,000	\$ -	\$ -	5.31	2.	-	Working capital	-	None	-	1,875,795 (Note 1)	2,813,693 (Note 2)
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	128,000	-	-	-	2.	-	Working capital	-	None	-	1,875,795 (Note 1)	
		Everest Textile USA, LLC.	Other receivables from related parties	Yes	544,000	544,000	-	-	2.	-	Working capital	-	None	-	1,875,795 (Note 1)	
							<u>\$ 1,088,000</u>	<u>\$ 544,000</u>	<u>\$ -</u>							
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	\$ 136,000	\$ -	\$ -	7.55-7.59	2.	-	Working capital	-	None	-	780,338 (Note 1)	1,170,507 (Note 2)
		Everest Development USA, LLC.	Other receivables from related parties	Yes	150,400	150,400	150,400	7.55	2.	-	Working capital	-	None	-	780,338 (Note 1)	
					<u>\$ 286,400</u>	<u>\$ 150,400</u>	<u>\$ 150,400</u>									
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Other receivables from related parties	Yes	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 160,000</u>	4.59	2.	-	Working capital	-	None	-	990,533 (Note 1)	1,485,800 (Note 2)

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

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

Note 3: Nature of the loan:

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

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

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

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

January 1 to March 31, 2024

Table 2

Unit: NT\$ thousand

Code	Name of the Endorsement and Guarantee Provider	Parties Being Endorsed and Guaranteed		Limit of Endorsement and Guarantee for a Single Entity (Note 1)	Current Maximum Balance of Endorsement and Guarantee	Closing Balance of Endorsement and Guarantee	Actual Amount Utilized	Amount of Endorsement and Guarantee Secured With Collateral	Ratio of Cumulative Endorsement and Guarantee to the net Value Stated in the Latest Financial Statements (%)	Cap of Endorsement and Guarantee (Note 2)	Endorsement and Guarantee Provided by the Parent for Subsidiary	Endorsement and Guarantee Provided by the Subsidiary for Parent	Endorsement and Guarantee Provided for Entities in Mainland China
		Name of the Company	Relationship										
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary – 100% shareholding	\$ 4,445,544	\$ 64,000	\$ 64,000	\$ 20,800	\$ -	1.08		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	"	4,445,544	320,000	320,000	-	-	5.4		Y	N	N
		Everest International Develop Investment Co., Ltd.	"	4,445,544	1,196,400	1,196,400	337,000	-	20.18		Y	N	N
		Everest Textile USA, LLC.	"	4,445,544	2,144,000	2,144,000	627,200	-	36.17		Y	N	N
		Everest International (HK) Ltd.	"	4,445,544	<u>1,472,000</u>	<u>1,472,000</u>	<u>289,920</u>	-	<u>24.83</u>		Y	N	N
					<u>\$ 5,196,400</u>	<u>\$ 5,196,400</u>	<u>\$ 1,274,920</u>		<u>87.66</u>	<u>\$ 8,891,088</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**

March 31, 2024

**Table 3**

Unit: NT\$ thousand

Company Held	Category and Name of Securities	Relationship with the Issuer of Securities	Accounting Item	End of the Period				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>5,494</u>	-	<u>15</u> \$ <u>5,494</u>	
Everest International Develop Investment Co., Ltd.	Everest Textile – shares of a listed company	Parent company	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current	20,177,533	<u>\$ 168,079</u>	2.9	<u>\$ 168,079</u>	

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

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

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

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

January 1 to March 31, 2024

Table 4

Unit: NT\$ thousand

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Status				Circumstance and Reason for Transaction Conditions Differ From General Transactions		Notes and Trade Receivables (Payables)		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	\$ 168,924	91	Settle every 1 month	No comparable goods under the same category	—	( \$ 86,930 )	( 22 )	Note
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	( 218,373 )	( 47 )	Settle every 2 to 4 months	Equivalent	Equivalent	101,691	35	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**

March 31, 2024

Table 5

Unit: NT\$ thousand

Company with Book Receivables	Counterparty	Relationship	Receivables from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Receivables from Related Parties	Allowance for Losses Provided
					Amount	Method of Disposal		
The Company	Everest Apparel (Haiti) S.A.	Subsidiary	\$ 155,143	-	\$ -	—	\$ -	\$ -
		Subsidiary	658,099	Note	-	—	-	-
	Everest International (HK) Ltd.	Subsidiary	159,260	Note	-	—	-	-
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	101,691	10.81	-	—	78,505	-
Everest Textile USA, LLC.	Everest Development USA, LLC.	Fellow subsidiary	150,615	Note	-	—	-	-
Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	670,207	Note	-	—	-	-
Everest USA Holdings, Inc.	Everest Textile USA, LLC.	Subsidiary	163,164	Note	-	—	-	-
Everest Textile (Thailand) Co., Ltd.	The Company	Parent company	110,227	-	-	—	70,826	-

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



EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

**INFORMATION ON INVESTEEES**

January 1 to March 31, 2024

Table 6

Unit: NT\$ thousand

Name of Inventor Company	Name of the Investees	Location	Principal Business Activities	Initial Investment Amount		Held at the End of the Period			Current Gain (Loss) of the Investees	Investment Gain (Loss) Recognized for the Period	Remarks
				End of the Period	End of the Previous Year	Shares	Ratio (%)	Carrying Amount			
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	\$ 955,893	\$ 955,893	1,300	100	\$ 3,278,516	\$ 83,357	\$ 83,357	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	2,291,400	2,291,400	220,700,000	100	( 97,213 ) (註 1)	( 83,180 )	( 83,180 )	Note 3
	Everest Textile (HK) Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	722	56	56	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	1,422,988	43,250		Note 3
Everest International Develop Investment Co., Ltd.	Everest International (HK) Ltd.	Hong Kong	Investment and holdings	1,418,047	1,418,047	46,300,000	100	1,166,120	( 26,458 )		Note 3
	Everest Apparel (HK) Ltd.	Hong Kong	Investment and holdings	974,505	974,505	31,580,000	100	( 907,867 )	( 54,404 )		Note 3
Everest International (HK) Ltd.	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,418,047	1,418,047	1,000	100	990,533	( 31,666 )		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	40,609	( 3,047 )		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	780,338	( 31,703 )		Note 3
Everest Apparel (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	( 209,325 )	( 41,410 )		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	( 704,806 )	( 13,040 )		Note 3

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

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

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

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

January 1 to March 31, 2024

**Table 7**

Unit: NT\$ Thousands, unless specified otherwise

Name of the Investee Company in Mainland China	Principal Business Activities	Paid-In Capital (Note 2)	Investment Method	Cumulative Investment Amount Remitted from Taiwan at the Beginning of the Period	Investment Amount Remitted or Recovered for the Period		Cumulative Investment Amount Remitted From Taiwan at the End of the Period	Current Gain (Loss) of the Investees	The Company's Direct or Indirect Investment Shareholding (%)	Investment (Loss) Gain Recognized for the Period (Notes 3 and 4)	Carrying Amount of Investments at the End of the Period	Investment Gains Repatriated at the End of the Period
					Remitted	Recovered						
Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulsion chemical fibers and high-grade textile cloth	\$ 960,000 (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)	\$ 38,437	100	\$ 40,151	\$ 1,875,795	\$ -

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)
\$ 960,000 (US\$30,000 thousand)	\$ 960,000 (US\$30,000 thousand)	\$ 3,556,435

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 ( $\$5,927,392 \times 60\% = \$3,556,435$ ).

Note 2: The relevant amount is translated at a currency rate where USD\$1 equals NT\$32.

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

Note 4: Investment gains recognized for the period is the net amount after deducting the realized gross sales of goods amounted to NT\$1,714 thousand arising from the side current transactions.

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

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

January 1 to March 31, 2024

Table 8

Unit: NT\$ thousand

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Status				Circumstance and Reason for Transaction Amount Differ from General Transactions		Notes and Trade Receivables (Payables)		Unrealized Gains (Losses) (Note)
			Purchase (Sales) of Goods	Amount (Note)	Ratio to Total Purchase of Goods (%)	Credit Period	Unit Price	Credit Period	Balance (Note)	Proportion to Total Notes and Accounts Receivable (Payable) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	( \$ 5,790 )	-	Settle every 6 months	Equivalent	Equivalent	\$ 3,567	1	( \$ 35 )
Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	Fellow subsidiary	Sales	( 218,373 )	( 47 )	Settle every 2 to 4 months	Equivalent	Equivalent	101,691	35	( 524 )

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

EVEREST TEXTILE CO., LTD. AND ITS SUBSIDIARIES

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

January 1 to March 31, 2024

Table 9

Unit: NT\$ thousand

Code	Name of the Transacting Party	Counterparty of the Transaction	Relationship with the Transacting Party (Note 1)	Transaction Status			
				Accounts	Amount (Note 2)	Transaction Conditions	Ratio to the Consolidated Total Operating Revenue or Total Assets (%)
0	The Company	Everest Textile (Thailand) Co., Ltd.	1	Sales of goods	\$ 14,676	The transactions are made at general transaction prices; collection terms shall be settled every 6 months. No comparable goods under the same category; payment terms shall be settled every 1 month.	1
				Processing Expenses	168,924		9
				Purchase of machine supplies on behalf of others	11,987		1
				Trade payables to related parties	86,930		1
		Everest Textile USA, LLC.	1	Sales of goods	12,136	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Purchases	56,707	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	3
				Trade receivables from related parties	12,410		-
				Trade payables to related parties	39,964		-
		Everest International (HK) Ltd.	1	Other receivables from related parties	159,260		1
				Everest Apparel (Haiti) S.A.	1	Trade receivables from related parties	155,143
		Other receivables from related parties	658,099	5			
1	Everest Textile (Shanghai) Ltd.	Everest International (HK) Ltd.	3	Sales of goods	218,373	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	11
				Trade receivables from related parties	101,691		1
2	Everest International (HK) Ltd.	Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	670,207		5
3	Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	16,514	The transactions are made at general transaction prices; collection terms shall be settled every 1 to 2 months.	1
				Everest Development USA, LLC.	3		Other receivables from related parties
4	Everest USA Holdings, Inc.	Everest Textile USA, LLC.	1	Other receivables from related parties		163,164	

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**

March 31, 2024

**Table 10**

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