

Everest Textile Co., Ltd.

2022 Annual General Shareholders' Meeting



Time: 9:00 a.m. on Thursday, June 16, 2022.

Venue: The Conference Hall on 1F of the Labor Recreational Center (No. 261 Nanmen Road, Tainan City)

Shareholders present:

Total shares represented by shareholders present: 363,509,586 shares.

Total number of outstanding shares: 574,465,951 shares.

Percentage of shares held by shareholders: 53.896%

Directors present:

Mr. Johnny Hih, Mr. Kao Shan Wu, Mr. Ching Lai Yeh,
Mr. Haw Sheng Lin. Via video: Mr. Douglas Tong Hsu, Mr. Charles Wang, Mr. Shou Chun Yeh

Independent Directors present:

Mr. Shiou Chung Chen. Via video: Mr. Yin Chi Chuang, Mr. Jen Fa Chen

Guests present: Mr. Haw Sheng Lin, Lawyer, Mr. Lou Liao, CPA

Chairman: Mr. Johnny Hih, Chairman of the Board of Directors



Recorder: Ms. Mei Hsiu Huang



Call the meeting to order (The aggregate shares of shareholders present in person or by proxy constituted a quorum.)

Chairman's remarks(Omitted)

Report Items

1. 2021 Business Report (See P1-P3 of the Handbook)
2. 2021 Financial Statements (See Attachment)
3. The Audit Committee's review report of 2021 Business Report and Financial Statements (See Attachment)
4. Report of Improved Operation Plan
5. 2021 Directors' remuneration and employees' compensation (See P28 of the Handbook)
6. Amendment to the "Sustainable Development Principles" (See P29-P35 of the Handbook)

Ratifications

Proposal 1

Proposed by the board of directors

Reasons: The 2021 accounts book. Please ratify.

Description:

- I. The Company's 2021 accounts book (including Business Report and financial statements, which have been audited and certified by independent Certified Public Accountants Hung-Ru Liao and Li-Yuan Kuo of Deloitte Taiwan; please refer to pages 8 to 28) and have been submitted to the Audit Committee for review. The review is now completed, and an Audit Committee's Review Report is issued.
- II. Please ratify.

Resolution:

363,509,586 shares were represented at the time of voting (including electronic voting); 355,660,566 shares voted for the proposal, representing 97.84% of the total represented shares, 779,258 shares voted against the proposal, while 7,069,762 shares voted abstained the proposal.

RESOLVED, that the 2021 Business Report and Financial Statements be and hereby accepted as submitted.

Proposal 2

Proposed by the board of directors

Proposal: The 2021 Profit Distribution Plan. Please ratify.

Description:

- I. The Company's 2021 Profit Distribution Plan is as follows:
 1. Beginning balance of retained earnings (1,151,906,984)
 2. Add: Capital reduction to cover losses 1,151,906,980
 3. Net income after tax of 2021 (EPS NT\$0.39) 181,871,182
 4. Add: Gains (losses) on re-measurements of defined benefit plans recognized as retained earnings 1,488,345
 5. Net income for the period plus items other than net income for the period included in unappropriated earnings for the year 183,359,523
 6. Less: Legal reserve (18,335,952)
 7. Less Special legal reserve (165,023,571)
 8. Available-for-distribution earnings for the period (694,643 thousand shares outstanding) 0
- II. In accordance with Article 27 of the Articles of Incorporation, the Company will not distribute any earnings in 2021.
- III. Please ratify.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 354,559,807 shares voted for the proposal, representing 97.54% of the total represented shares, 2,411,540 shares voted against the proposal, while 6,538,239 shares voted abstained the proposal.

RESOLVED, that the proposal for 2021 profit distribution plan be and hereby accepted as proposed.

Discussion and Election Items

Proposal 1

Proposed by the board of directors

Reason: Amendment to some provisions of the Articles of Incorporation. Please adopt.

Description:

- I. To make the means of convening shareholders' meetings more flexible, we proposed to amend some Articles of this Corporation's Articles of Incorporation in accordance with Article 172-2, Paragraph 1 of the Company Act. As the Company's Articles of Incorporation expressly

provide for the convening of shareholders' meetings by video conference or other means announced by the central competent authority, we hereby propose to amend some provisions of the Company's Articles of Incorporation as shown in the attached Article Comparison Table.

| Article No. | After amendment | Current articles |
|--------------|---|--|
| Article XI | <p>The shareholders shall be notified of the date, place, and reason for the meeting at least 30 days prior to the regular shareholders' meeting and 15 days prior to the extraordinary shareholders' meeting, and the meeting shall be announced in accordance with the law.</p> <p><u>The shareholders' meeting may be held by video conferencing or the method announced by other central competent authorities.</u></p> | <p>The shareholders shall be notified of the date, place, and reason for the meeting at least 30 days prior to the regular shareholders' meeting and 15 days prior to the extraordinary shareholders' meeting, and the meeting shall be announced in accordance with the law.</p> |
| Article XXIX | <p>The Company's Articles of Incorporation were established on January 27, 1988, and shall be effective from the date of approval by the competent authorities upon the resolution of the shareholders' regular meeting, or upon approval of the shareholders' meeting upon amendment.</p> <p><u>The 24th amendment was made on June 16, 2022.</u></p> | <p>The Company's Articles of Incorporation were established on January 27, 1988, and shall be effective from the date of approval by the competent authorities upon the resolution of the shareholders' regular meeting, or upon approval of the shareholders' meeting upon amendment.</p> <p><u>The 23rd amendment was made on May 4, 2021.</u></p> |

II. Please vote.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 356,034,234 shares voted for the proposal, representing 97.94% of the total represented shares, 776,251 shares voted against the proposal, while 6,699,101 shares voted abstained the proposal.

RESOLVED, that the proposal for the amendment to some provisions of the Articles of Incorporation be and hereby accepted as proposed.

Proposal 2

Proposed by the board of directors

Reason: Amendment to some provisions of the Procedures for Acquisition and Disposal of Assets. Please vote.

Description:

- I. By Decree Jing-Kuan-Cheng-Fa-Zi No. 1110380465 of January 28, 2022, the Financial Supervisory Commission amended some of the provisions of the "Procedures for the Acquisition and Disposal of Assets by Public Companies", and we would like to amend the provisions of Articles 6 to 9-1 and 12 of the "Procedures for the Acquisition and Disposal of Assets" as shown in the attached table of amendments.
- II. Please vote.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 356,046,784 shares voted for the proposal, representing 97.95% of the total represented shares, 777,703 shares voted against the proposal, while 6,685,099 shares voted abstained the proposal.

RESOLVED, that the proposal for the amendment to some provisions of the Procedures for Acquisition and Disposal of Assets be and hereby accepted as proposed.

Proposal 3

Proposed by the board of directors

Reason: Amendment to certain provisions of the "Procedures for Lending Funds to Others" and "Procedures for Endorsement and Guarantee" of the Company. Please vote.

Description:

- I. On December 24, 2021, the Securities and Futures Bureau of the Financial Supervisory Commission announced the "Question and Answer Series on the Procedures for Handling Loans of Funds and Endorsements and Guarantees by Public Companies", amending the criteria for public announcement and reporting when the amount of new loans of funds or endorsements and guarantees by public companies or their subsidiaries reaches a certain level, and amending Article 8 of the "Procedures for

Lending Funds to Others" and "Procedures for Endorsements and Guarantees" of the Company. The provisions of Article 8 are shown in the comparison table of the amended provisions in Annexes I and II.

II. Please vote.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 356,026,899 shares voted for the proposal, representing 97.94% of the total represented shares, 797,588 shares voted against the proposal, while 6,685,099 shares voted abstained the proposal.

RESOLVED, that the proposal for the amendment to certain provisions of the "Procedures for Lending Funds to Others" and "Procedures for Endorsement and Guarantee" of the Company be and hereby accepted as proposed.

Proposal 4

Proposed by the board of directors

Reason: Amendment to some provisions of the Rules for Election of Directors.

Please vote.

Description:

I. It is proposed to amend some provisions of the "Election of Directors" of the Company as shown in the attached table in accordance with the practical operation of the Company and the reference model of "Sample Template for XXX Co., Ltd. Rules for the Election of Directors" announced by the Taiwan Stock Exchange Corporation.

II. Please vote.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 355,974,999 shares voted for the proposal, representing 97.93% of the total represented shares, 823,985 shares voted against the proposal, while 6,710,602 shares voted abstained the proposal.

RESOLVED, that the proposal for the amendment to some provisions of the Rules for Election of Directors be and hereby accepted as proposed.

Proposal 5

Proposed by the board of directors

Reasons: Amendment to some provisions of the Rules of Procedure for Shareholders' Meetings. Please vote.

Description:

- I. In response to the amendment to Article 172-2 of the Company Act, which allows public companies to hold shareholders' meetings by video, the Financial Supervisory Commission amended and issued some provisions of the "Regulations Governing the Administration of Shareholder Services of Public Companies" on March 4, 2022, to add the relevant provisions on video meetings of shareholders' meetings. The Company would like to refer to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" as amended by the announcement of the Taiwan Stock Exchange on March 8, 2022, and amend some provisions of the "Rules of Procedures of the Shareholders' Meeting" of the Company as shown in the attached table of amended provisions.
- II. Please vote.

Resolution:

Voting Results: 363,509,586 shares were represented at the time of voting (including electronic voting); 356,030,008 shares voted for the proposal, representing 97.94% of the total represented shares, 794,479 shares voted against the proposal, while 6,685,099 shares voted abstained the proposal.

RESOLVED, that the proposal for amendment to some provisions of the Rules of Procedure for Shareholders' Meetings be and hereby accepted as proposed.

Extemporary Motion: Nil

Meeting Adjourned

Annex: Comparison Table of the amended articles of “Everest Textile Co., Ltd.’s Procedures Governing the Acquisition and Disposal of Assets”

| Article No. | After amendment | Current articles | Explanation |
|--------------------|--|---|--|
| Article VI | <p>I. Evaluation Procedures</p> <p>(I.)When the Company makes an investment in securities, the Finance Division or other related units should perform financial analysis of the underlying investment and the expected return and evaluate the possible investment risks.</p> <p>(II.) The Company's trading of securities on the centralized trading market or securities dealers' offices shall be determined by the responsible unit based on market conditions. For the Company's trading of securities not on the centralized trading market or securities dealers' offices, the Company shall first obtain the most recent financial statements of the subject company, which have been audited or reviewed by an accountant, as a reference for evaluating the trading price, taking into account the net value per share, profitability and future development potential of the subject company.</p> <p>II. Acquisition of expert opinions</p> <p>(I.)When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> | <p>I. Evaluation Procedures</p> <p>(I.)When the Company makes an investment in securities, the Finance Division or other related units should perform financial analysis of the underlying investment and the expected return and evaluate the possible investment risks.</p> <p>(II.) The Company's trading of securities on the centralized trading market or securities dealers' offices shall be determined by the responsible unit based on market conditions. For the Company's trading of securities not on the centralized trading market or securities dealers' offices, the Company shall first obtain the most recent financial statements of the subject company, which have been audited or reviewed by an accountant, as a reference for evaluating the trading price, taking into account the net value per share, profitability and future development potential of the subject company.</p> <p>II. Acquisition of expert opinions</p> <p>(I.)When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; <u>If an accountant is required to use an expert report, he or she should follow the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This</u></p> | <p>Considering that Article 5 Paragraph 2 of the Acquisition and Disposal of Assets by Public Companies is amended to add the requirement that external experts should follow the self-regulatory standards of their respective peer associations in issuing opinions, which covers the procedures that accountants should follow in issuing opinions; hence, “the ARDF with the text of the Statement on Auditing Standards that the accountant should follow” is</p> |

| Article No. | After amendment | Current articles | Explanation |
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| | <p>(II.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Procedures for the degree of authority delegated and the unit responsible for implementation</p> <p>Before the Company acquires or disposes of marketable securities, the Finance Division shall submit relevant information to the Board of Directors for approval. If the amount is less than NT\$10 million, the President shall be authorized to decide on the amount (if the President has another authorization, he/she shall be authorized to decide on the amount); if the amount exceeds NT\$10 million, the Chairman shall be authorized to decide on the amount (if the Chairman has another authorization, he/she shall be authorized to decide on the amount); however, the Board of Directors shall submit a request to the nearest Board of Directors for recognition after the transaction.</p> | <p>requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>(II.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Procedures for the degree of authority delegated and the unit responsible for implementation</p> <p>Before the Company acquires or disposes of marketable securities, the Finance Division shall submit relevant information to the Board of Directors for approval. If the amount is less than NT\$10 million, the President shall be authorized to decide on the amount (if the President has another authorization, he/she shall be authorized to decide on the amount); if the amount exceeds NT\$10 million, the Chairman shall be authorized to decide on the amount (if the Chairman has another authorization, he/she shall be authorized to decide on the amount); however, the Board of Directors shall submit a request to the nearest Board of Directors for recognition after the transaction.</p> | <p>hereby removed from Paragraph 2, Subparagraph 1 of this Article.</p> |
| Article VII | <p>I. Evaluation Procedures</p> <p>(I.) The Company's investment in property, equipment or its right-to-use assets should be carefully evaluated by the management or the relevant units in light of current operations, financial condition and future development plans for the expected benefits of the investment and its risks.</p> <p>(II.) The acquisition or disposal of real estate or right-of-use assets thereof shall be determined by reference to the announced present value, assessed value, actual transaction price of adjacent real estate or or right-of-use assets thereof, and the suggested transaction terms and price with the analysis report made accordingly.</p> | <p>I. Evaluation Procedures</p> <p>(I.) The Company's investment in property, equipment or its right-to-use assets should be carefully evaluated by the management or the relevant units in light of current operations, financial condition and future development plans for the expected benefits of the investment and its risks.</p> <p>(II.) The acquisition or disposal of real estate or right-of-use assets thereof shall be determined by reference to the announced present value, assessed value, actual transaction price of adjacent real estate or or right-of-use assets thereof, and the suggested transaction terms and price with the analysis report made accordingly.</p> | |

| Article No. | After amendment | Current articles | Explanation |
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| | <p>(III.) Equipment or right-of-use assets thereof shall be acquired or disposed of by inquiry, comparison, bargaining or tender, whichever is appropriate.</p> <p>II. Appraisal report</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report with matters required to be recorded (as shown in Annex) the prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I.) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II.) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III.) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for</p> | <p>(III.) Equipment or right-of-use assets thereof shall be acquired or disposed of by inquiry, comparison, bargaining or tender, whichever is appropriate.</p> <p>II. Appraisal report</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report with matters required to be recorded (as shown in Annex) the prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I.) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II.) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III.) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall <u>be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting</u></p> | <p>Reasons for amendment to Paragraph 2, Subparagraph 3 of this Article is the same as the explanations given for Article 6.</p> |

| Article No. | After amendment | Current articles | Explanation |
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| | <p>the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV.) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(V.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Before the Company acquires or disposes of property, equipment or assets with rights to use, the Management Department shall submit relevant information to the Board of Directors for approval and execution. If the amount is less than NT\$10 million, the President shall be authorized to decide on the amount (if the President has another authorization, he/she shall be authorized to decide on the amount); if the amount exceeds NT\$10 million, the Chairman shall be authorized to decide on the amount (if the Chairman has another authorization, he/she shall be authorized to decide on the amount); however, the Board of Directors shall submit a request to the nearest Board of Directors for recognition after the transaction.</p> | <p><u>Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV.) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(V.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Procedures for the degree of authority delegated and the unit responsible for implementation Before acquiring or disposing of property, equipment or assets with rights to use, the Management Department shall submit relevant information to the Board of Directors for approval. If the amount is less than NT\$10 million, the President shall be authorized to decide on the amount (if the President has another authorization, he/she shall be authorized to decide on the amount); if the amount exceeds NT\$10 million, the Chairman shall be authorized to decide on the amount (if the Chairman has another authorization, he/she shall be authorized to decide on the amount); however, the Board of Directors shall submit a request to the nearest Board of</p> | |

| Article No. | After amendment | Current articles | Explanation |
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| | | Directors for recognition after the transaction. | |
| Article VIII | <p>I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted in accordance with the provisions of the Procedures and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedures. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Evaluation and Operating Procedures</p> <p>(I.) When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and adopted by the Board of Directors:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof | <p>I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted in accordance with the provisions of the Procedures and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedures. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Evaluation and Operating Procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and adopted by the Board of Directors:</p> <ol style="list-style-type: none"> (I.) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (II.) The reason for choosing the related party as a transaction counterparty. | <p>To strengthen the management of related party transactions, it is stated in Article 15, Paragraph 5 of these Procedures that, if a public company or its</p> |

| Article No. | After amendment | Current articles | Explanation |
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| | <p>from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions in Paragraph 3, Subparagraphs 1 and 4 of this Article.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>(II.) When the proposal is submitted for discussion by the board of directors pursuant to the aforementioned provisions, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>(III.) <u>If the transaction in Subparagraph 1 of this Paragraph between the Company or a subsidiary not belong to a domestic public company amounts to more than 10% of the Company's total assets, the Company shall submit the information listed in the Subparagraph 1 of this Paragraph to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply</u></p> | <p>(III.) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions in Paragraph 3, Subparagraphs 1 and 4 of this Article.</p> <p>(IV.) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(V.) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI.) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>(VII.) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When the proposal is submitted for discussion by the board of directors pursuant to the aforementioned provisions, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> | <p>non-domestic public company subsidiary acquires or disposes of assets from a related party and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the relevant information to the shareholders' meeting for approval before doing so. However, considering that the public company and its parent company, its subsidiaries, or its subsidiaries have the need for overall business planning among themselves, the Company will relax the requirement of shareholders' meeting for inter-company transactions in the proviso, and we would like to add Paragraph 2, Subparagraph 3 of this Article and amend the provisions of all Subparagraphs in</p> |

| Article No. | After amendment | Current articles | Explanation |
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| | <p><u>to transactions between the Company and its subsidiaries, or between its subsidiaries.</u></p> <p>III. Evaluation of the reasonableness of transaction costs</p> <p>(I.) When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. <p>(II.) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding Subparagraph.</p> <p>(III.) The Company that acquires real property or right-of-use assets thereof from a</p> | <p>III. Evaluation of the reasonableness of transaction costs</p> <p>(I.) When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. <p>(II.) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding Subparagraph.</p> | <p>Paragraph 2 of this Article.</p> |

| Article No. | After amendment | Current articles | Explanation |
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| | <p>related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV.) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraphs 1 and 2 of this Article, and the preceding three Subparagraphs of this Paragraph regarding the evaluation of the reasonableness of the transaction costs do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(V.) When the results of the Company's appraisal conducted in accordance with Subparagraphs 1 and 2 of this Paragraph are uniformly lower than the transaction price, the matter shall be handled in compliance with Subparagraphs 6 and 7 of this Paragraph. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been</p> | <p>(III.) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV.) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraphs 1 and 2 of this Article, and the preceding three Subparagraphs of this Paragraph regarding the evaluation of the reasonableness of the transaction costs do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(V.) When the results of the Company's appraisal conducted in accordance with Subparagraphs 1 and 2 of this Paragraph are uniformly lower than the transaction price, the matter shall be handled in compliance with Subparagraphs 6 and 7 of this Paragraph. However, where the following circumstances exist, objective</p> | |

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| | <p>obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) Where undeveloped land is appraised in accordance with the means in the preceding Subparagraphs, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the Company acquiring real property, or obtaining real property or right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving</p> | <p>evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) Where undeveloped land is appraised in accordance with the means in the preceding Subparagraphs, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the Company acquiring real property, or obtaining real property or right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a</p> | |

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| | <p>neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction.</p> <p>(VI.) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in subparagraph accordance with preceding 5 Subparagraphs of this Paragraph are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under the provisions shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2. Independent Director shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to Items 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. <p>(VII.) When setting aside a special reserve under the preceding subparagraph, this Corporation may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it</p> | <p>similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction.</p> <p>(VI.) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in subparagraph accordance with preceding 5 Subparagraphs of this Paragraph are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under the provisions shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2. Independent Director shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to Items 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. <p>(VII.) When setting aside a special reserve under the preceding subparagraph, this</p> | |

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| | <p>purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(VIII.) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraphs 6 and 7 of this Paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.</p> <p>IV. Procedures for the degree of authority delegated and the unit responsible for implementation The following transactions between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100% of the outstanding shares or capital stock, shall be executed by the Management Department after submitting the relevant information to the Board of Directors for approval. However, if the amount does not reach NT\$300 million, the chairman of the board of directors is authorized to make a decision first and shall submit the transaction to the board of directors for recognition at the nearest board meeting after the transaction.</p> <p>(I.) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II.) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>V. For the calculation of 10 percent of total assets under these Disposition Procedures, the total assets stated in the most recent</p> | <p>Corporation may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(VIII.) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraphs 6 and 7 of this Paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.</p> <p>IV. Procedures for the degree of authority delegated and the unit responsible for implementation The following transactions between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100% of the outstanding shares or capital stock, shall be executed by the Management Department after submitting the relevant information to the Board of Directors for approval. However, if the amount does not reach NT\$300 million, the chairman of the board of directors is authorized to make a decision first and shall submit the transaction to the board of directors for recognition at the nearest board meeting after the transaction.</p> <p>(I.) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II.) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>V. For the calculation of 10 percent of total assets under these Disposition Procedures, the total assets stated in the most recent</p> | |

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| | parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. | parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. | |
| Article IX | <p>I. Evaluation and Operating Procedures</p> <p>(I.) For the acquisition or disposal of memberships, an analysis report shall be made with reference to the fair market price, proposed trading conditions and transaction price, and submitted to the president. For amounts under NT\$3 million, approval shall be sought from the president and submitted to the nearest board of directors for approval after the transaction; for amounts over NT\$3 million, approval shall be sought from the board of directors before the transaction is approved.</p> <p>(II.) When acquiring or disposing of an intangible asset or its right-to-use asset, an analysis report shall be prepared and submitted to the president with reference to expert valuation reports or fair market value, proposed transaction conditions and transaction price, and the amount of which is less than NT\$3 million shall be submitted to the president for approval and submitted to the board of directors for approval nearest to the transaction; if the amount exceeds NT\$3 million, it shall be submitted to the board of directors for approval.</p> <p>II. Expert Opinion Report</p> <p>(I.) The Company shall obtain a valuation report from an expert when acquiring or disposing of intangible assets or its right-to-use assets or membership cards.</p> <p>(II.) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence</p> | <p>I. Evaluation and Operating Procedures</p> <p>(I.) For the acquisition or disposal of memberships, an analysis report shall be made with reference to the fair market price, proposed trading conditions and transaction price, and submitted to the president. For amounts under NT\$3 million, approval shall be sought from the president and submitted to the nearest board of directors for approval after the transaction; for amounts over NT\$3 million, approval shall be sought from the board of directors before the transaction is approved.</p> <p>(II.) When acquiring or disposing of an intangible asset or its right-to-use asset, an analysis report shall be prepared and submitted to the president with reference to expert valuation reports or fair market value, proposed transaction conditions and transaction price, and the amount of which is less than NT\$3 million shall be submitted to the president for approval and submitted to the board of directors for approval nearest to the transaction; if the amount exceeds NT\$3 million, it shall be submitted to the board of directors for approval.</p> <p>II. Expert Opinion Report</p> <p>(I.) The Company shall obtain a valuation report from an expert when acquiring or disposing of intangible assets or its right-to-use assets or membership cards.</p> <p>(II.) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the the matter to facilities transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified accountant prior to the date of</p> | Reasons for amendment to Paragraph 2, Subparagraph 2 of this Article is the same as the explanations given for Article 6. |

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| | <p>of the event to render an opinion on the reasonableness of the transaction price.</p> <p>(III.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Units responsible for implementation When the Company acquires or disposes of an intangible asset or its right-to-use asset or membership, the Management Department shall submit a request for approval in accordance with the first approval authority and then execute it.</p> | <p>occurrence of the event to render an opinion on the joint of the matter to price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDE.</u></p> <p>(III.) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>III. Units responsible for implementation When the Company acquires or disposes of an intangible asset or its right-to-use asset or membership, the Management Department shall submit a request for approval in accordance with the first approval authority and then execute it.</p> | |
| Article IX-1 | <p>The calculation of the transaction amounts referred to in Paragraphs 6, 7, 8, Paragraph 1, and Article 9 shall be done in accordance with Article 12, Paragraph 1, Subparagraphs 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items in the appraisal report of a professional appraiser or the opinion of an accountant are exempt from counted toward the transaction amounts. The calculation of the transaction amounts referred to in the Article 8, Paragraph 2 shall be done in accordance with Article 12, Paragraph 1, Subparagraph 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to shareholders' meeting, the audit committee for approval and to the Board of Directors for recognition in accordance with the provisions in these Procedures are exempt from counted toward the transaction amount.</p> | <p>The calculation of the transaction amounts referred to in Paragraphs 6, 7, 8, Paragraph 1, and Article 9 shall be done in accordance with Article 12, Paragraph 1, Subparagraphs 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items in the appraisal report of a professional appraiser or the opinion of an accountant are exempt from counted toward the transaction amounts. The calculation of the transaction amounts referred to in Paragraph 8 shall be done in accordance with Article 12, Paragraph 1, Subparagraph 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the audit committee for approval and to the Board of Directors for recognition in accordance with the provisions in these Procedures are exempt from counted toward the transaction amount.</p> | <p>In conjunction with the addition of Article 8, Paragraph 2, Subparagraph 3, amend Paragraph 2 of this Article.</p> |
| Article XII | <p>I. Regulatory filing items required to be announced and standards thereof</p> <p>(I.) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20</p> | <p>I. Regulatory filing items required to be announced and standards thereof</p> <p>(I.) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20</p> | |

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| | <p>percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II.) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III.) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Article 10, Paragraph 1, Subparagraph 6 adopted by the company.</p> <p>(IV.) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.</p> <p>(V.) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VI.) Where an asset transaction other than any of those referred to in the preceding 5 Subparagraphs or an investment in the mainland China area reaches 20 percent or more the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of our country. | <p>percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II.) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III.) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Article 10, Paragraph 1, Subparagraph 6 adopted by the company.</p> <p>(IV.) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.</p> <p>(V.) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VI.) Where an asset transaction other than any of those referred to in the preceding 5 Subparagraphs or an investment in the mainland China area reaches 20 percent or more the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. | <p>Considering that the existing public companies are already exempted from the announcement and declaration for trading domestic bonds, Paragraph 1, Subparagraph 6, Item 1 was hereby amended in accordance with Article 31, Paragraph 1, Subparagraph 7 to exempt the announcement and declaration duties for trading foreign bonds with credit ratings not lower than the sovereign rating of Taiwan.</p> |

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| | <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(VII.) The transaction amounts referred to in the preceding 6 Subparagraphs are calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. <p>(VIII.) "Within the preceding year" as used in the preceding Subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>II. Under the circumstances in Subparagraphs 1 to 6 of the preceding Paragraph, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>III. Public announcement and regulatory filing procedures</p> | <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(VII.) The transaction amounts referred to in the preceding 6 Subparagraphs are calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. <p>(VIII.) "Within the preceding year" as used in the preceding Subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>II. Under the circumstances in Subparagraphs 1 to 6 of the preceding Paragraph, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>III. Public announcement and regulatory filing procedures</p> | |

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| | <p>(I.) A public report of relevant information shall be made on the information reporting website designated by the FSC:</p> <p>(II.) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>(III.) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>(IV.) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the provisions, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. <p>IV. Announcement Format For the matters and content required to be announced in accordance with the Procedures, its announcement format may be referred to in</p> | <p>(I.) A public report of relevant information shall be made on the information reporting website designated by the FSC:</p> <p>(II.) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>(III.) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>(IV.) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the provisions, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. <p>IV. Announcement Format For the matters and content required to be announced in accordance with the Procedures, its announcement format may</p> | |

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| | the Annex of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. | be referred to in the Annex of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. | |

Annex I Comparison table of the amended provisions of the Company's "Procedures for Lending of Funds to Others"

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| Article VIII | <p>(Public announcement and regulatory filing procedures)</p> <p>The Company shall announce the declaration by the tenth day of each month</p> <p>Loans made by the Company and each subsidiary last moth the resulting balance.</p> <p>Where the Company lends funds and the following criteria was met,</p> <p>Within 2 days of the date of occurrence of the event,</p> <p>public announcement and regulatory filing shall be made:</p> <p style="margin-left: 2em;">I. The Company and its subsidiaries have loaned funds amounting to 20% or more of the net value.</p> <p style="margin-left: 2em;">II. The balance of the Company's and its subsidiaries' loans to a single enterprise reaches 10% or more of the net value.</p> <p style="margin-left: 2em;">III. The Company or its subsidiaries have lent new capital in an amount of at least NT\$10 million and at least 2% of the net value.</p> <p>Information required to be publicly announced and reported in accordance with Subparagraph 3 of the preceding paragraph by this Corporation's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.</p> <p>The announcement reporting referred to in this procedure refers to the information reporting website designated by the Financial Supervisory Commission.</p> <p>The date of occurrence referred to in the Procedures means the date of contract</p> | <p>(Public announcement and regulatory filing procedures)</p> <p>The Company shall announce the declaration by the tenth day of each month</p> <p>Loans made by the Company and each subsidiary last moth the resulting balance.</p> <p>Where the Company lends funds and the following criteria was met,</p> <p>Within 2 days of the date of occurrence of the event,</p> <p>public announcement and regulatory filing shall be made:</p> <p style="margin-left: 2em;">I. The Company and its subsidiaries have loaned funds amounting to 20% or more of the net value.</p> <p style="margin-left: 2em;">II. The balance of the Company's and its subsidiaries' loans to a single enterprise reaches 10% or more of the net value.</p> <p style="margin-left: 2em;">III. The Company or its subsidiaries have lent new capital in an amount of at least NT\$10 million and at least 2% of the net value within a single transaction.</p> <p>Information required to be publicly announced and reported in accordance with Subparagraph 3 of the preceding paragraph by this Corporation's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.</p> <p>The announcement reporting referred to in this procedure refers to the information reporting website designated by the Financial Supervisory Commission.</p> <p>The date of occurrence referred to in the Procedures means the date of contract signing, date of payment, date of consignment trade, date</p> |

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| | <p>signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier;</p> <p>The Company should assess the status of capital credits and make appropriate allowances for bad debts, and make appropriate disclosures in the financial statements and provide relevant information to the accountants for the necessary audit procedures.</p> | <p>of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier;</p> <p>The Company should assess the status of capital credits and make appropriate allowances for bad debts, and make appropriate disclosures in the financial statements and provide relevant information to the status of capital credits and make appropriate allowances for bad debts, and make appropriate disclosures in the financial statements and provide relevant information to the accountants for the necessary audit procedures.</p> |

Annex II Comparison table of the amended provisions of the Company's "Procedures for Endorsement and Guarantee"

| Article No. | After amendment | Current articles |
|--------------------|---|---|
| Article VIII | <p>The Company shall announce and report the balance of the endorsement guarantee of the Company and its subsidiaries for the previous month by the tenth day of each month.</p> <p>Where any of the following circumstances related to guarantee/endorsement occurred, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. The Company and its subsidiaries have loaned funds amounting to 50% or more of the net value.</p> <p>II. The balance of the Company's and its subsidiaries' loans to a single enterprise reaches 20% or more.</p> <p>III. The aggregate amount of the Company's and its subsidiaries' endorsements and guarantees to a single enterprise amounting to at least NT\$10 million and the aggregate amount of the endorsements and guarantees, the carrying amount of</p> | <p>The Company shall announce the declaration by the tenth day of each month</p> <p>Loans made by the Company and each subsidiary last month the resulting balance.</p> <p>Where the Company makes guarantee/endorsement and the following criteria was met,</p> <p>Within 2 days of the date of occurrence of the event, public announcement and regulatory filing shall be made:</p> <p>I. The Company and its subsidiaries have loaned funds amounting to 50% or more of the net value.</p> <p>II. The balance of the Company's and its subsidiaries' loans to a single enterprise reaches 20% or more.</p> <p>III. The aggregate amount of the Company's and its subsidiaries' endorsements and guarantees to a single enterprise amounting to at least NT\$10 million and the aggregate amount of the endorsements and guarantees, the carrying amount of investments accounted for under the equity method, and the balance of loans to capital</p> |

| Article No. | After amendment | Current articles |
|--------------------|---|--|
| | <p>investments accounted for under the equity method, and the balance of loans to capital amounting to at least 30% of the Company's most recent net worth.</p> <p>IV. The Company or its subsidiaries have lent new capital in an amount of at least NT\$30 million and at least 2% of the net value.</p> <p>Information required to be publicly announced and reported in accordance with Subparagraph 4 of the preceding paragraph by this Corporation's subsidiary that is not itself a public company in Taiwan shall be reported by this Corporation.</p> <p>The wording of the reporting website specified by the Financial Supervisory Commission was procedures public announcement regulatory filing.</p> <p>The date of occurrence referred to in the Procedures means the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier;</p> <p>The Company shall assess or recognize contingent losses on endorsement of warranties and disclose the endorsement information in the financial statements as appropriate, and provide the relevant information to the certifying accountant to perform the necessary audit procedures.</p> | <p>amounting to at least 30% of the Company's most recent net worth.</p> <p>IV. The Company or its subsidiaries have made guarantee/endorsement in an amount of at least NT\$30 million and at least 2% of the net value in single transaction. Information required to be publicly announced and reported in accordance with Subparagraph 4 of the preceding paragraph by this Corporation's subsidiary that is not itself a public company in Taiwan shall be reported by this Corporation.</p> <p>The wording of the reporting website specified by the Financial Supervisory Commission was procedures public announcement regulatory filing.</p> <p>The date of occurrence referred to in the Procedures means the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier;</p> <p>The Company shall assess or recognize contingent losses on endorsement of warranties and disclose the endorsement information in the financial statements as appropriate, and provide the relevant information to the certifying accountant to perform the necessary audit procedures</p> |

Annex: Comparison Table of the amended articles of “Everest Textile Co., Ltd.’s Rules for Election of Directors”

| Article No. | After amendment | Current articles |
|--------------------|--|--|
| Article III | The number of directors will be elected as required, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective | The number of directors will be elected as required, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective |

| Article No. | After amendment | Current articles |
|-------------|---|--|
| | <p>numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p> <p>The Company shall adopt a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act, and the qualifications, independence conditions and other matters of independent directors shall comply with the Regulations Governing the Establishment of and Matters to be Followed by Independent Directors of Public Companies and other relevant laws and regulations.</p> | <p>numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p> <p>The election of directors of the Company shall be based on the nomination system of candidates in accordance with Article 192-1 of the Company Act, and the qualifications, independence conditions and other matters of independent directors shall be in accordance with the Regulations Governing the Establishment of and Matters to be Followed by Independent Directors of Public Companies and other relevant laws and regulations.</p> |
| Article VI | <p><u>If the electee is a natural person, the elector shall indicate the name of the electee on the election ballot. If the electee is a government or corporate shareholder, the name of the government or corporate shareholder should be entered. If the person to be elected is a representative of the government or a corporate shareholder, the name of the government or corporate shareholder and the name of the representative should be filled in.</u></p> | <p><u>If the electee is a natural person who is a shareholder, the elector shall indicate the name of the electee and the shareholder's account number on the election ballot; if the electee is not a shareholder, the elector shall indicate the name of the electee and the identity document number. If the electee is a government or legal entity shareholder, the name of the government or legal entity shall be entered in addition to the account number, and the name of the government or legal entity and the name of its representative shall also be entered; if there are several representatives, the names of the representatives shall be added separately.</u></p> |
| Article VII | <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> (1) Ballots were not prepared in accordance with the provisions in these Regulations. (2) If more than two persons are elected on the same ballot. (3) Blank ballots not filled in by the voter. (4) <u>Any ballot with characters other than the name of the candidates and the allocated number of voting rights.</u> (5) The writing is unclear and indecipherable; | <p>A ballot is invalid for the circumstances listed on the left:</p> <ol style="list-style-type: none"> (1) Ballots were not prepared in accordance with the provisions in these Regulations. (2) If more than two persons are elected on the same ballot. (3) Blank ballots not filled in by the voter. (4) <u>Failure to fill out the election ballot in accordance with the provisions of Article 6 or to attach other words to it.</u> (5) The writing is unclear and indecipherable; |

| Article No. | After amendment | Current articles |
|--|--|---|
| | <p>(6) Where the candidate's name filled in in the ballot is inconsistent with that on the list of candidates for directors.</p> <p>(7) The total number of election rights allocated to the electors on the election ballot exceeds the number of election rights held by them.</p> | <p>(6) Where the candidate's name filled in in the ballot is inconsistent.</p> |
| Article XIII | (Deleted) | The elected directors shall be notified by the Board of Directors of the Company of their election. |
| The original Article XIV moved to Article XIII | The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. | The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. |

**Annex: Comparison Table for the Amendments to King's Town Bank Co.,
Ltd. Rules of Procedure for Shareholders' Meetings**

| Article No. | After amendment | Current articles | Explanation |
|-------------|--|---|---|
| Article II | <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders (or proxies) and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.</p> <p><u>Any change in the method of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before mailing the notice of the shareholders' meeting.</u></p> <p>The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registration will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration is accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration. When the Company holds a shareholders' meeting through video conferencing, attendance registration shall be accepted at the video conferencing platform of the shareholders' meeting at least 30 minutes prior to the time the meeting</p> | <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders (or proxies) and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.</p> <p>The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registration will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration is accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration.</p> | <p>I. In order to comply with the amendments to the Company Act and the "Regulations Governing the Administration of Shareholder Services of Public Companies", which allow public companies to hold shareholders' meetings by video, we would like to add the second item of this article with reference to the second item of Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" (hereinafter referred to as "Sample</p> |

| Article No. | After amendment | Current articles | Explanation |
|-------------|---|---|---|
| | <p>commences. A shareholder whose attendance registration is accepted will be deemed to have attended the meeting in person.</p> <p>When the Company convenes a shareholders' meeting, shareholders may exercise their voting power by way of electronic transmission; the method of exercising their voting power shall be describes in the shareholders' meeting notice. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person. If a person exercises his or her voting rights and does not retract his or her intent and attends the shareholders' meeting by video conferencing, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for a temporary motion.</p> <p>Shareholders (or proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. When attending the meeting, shareholders (or proxies) should pay the sign-in card to sign in for them.</p> <p>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in and the number of shares registered at the video conferencing platform plus the number of shares whose voting rights are exercised electronically.</p> <p><u>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.</u></p> <p>Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting</p> | <p>When the Company convenes a shareholders' meeting, shareholders may exercise their voting power by way of electronic transmission; the method of exercising their voting power shall be describes in the shareholders' meeting notice. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person. However, the questions and motions of the shareholders' meeting and the amendment to the original proposal are deemed to be a waiver.</p> <p>Shareholders (or proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. When attending the meeting, shareholders (or proxies) should pay the sign-in card to sign in for them.</p> <p>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised electronically.</p> <p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p> <p>Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting</p> | <p>Template") announced by the Taiwan Stock Exchange on March 8, 2022, so that shareholders can be aware of the change in the manner of holding shareholders' meetings.</p> <p>II. With reference to Article 6, Paragraph 2 of the Sample Template, the Company has added the time and procedure for shareholders attending by video to report to the meeting at the end of Article 3 of this Article.</p> <p>III. In accordance with the Ministry of Economic Affairs' Letter Jing-Sheng-Zi No. 10102404740 dated February 24, 2012 and Letter Jing-Sheng-Zi No. 10102414350 dated May 3, 2012, shareholders who exercise their voting rights electronically and who have not revoked their voting rights may not propose amendments to the original motion and may not exercise their voting rights, but may still attend the shareholders'</p> |

| Article No. | After amendment | Current articles | Explanation |
|-------------|--|--|---|
| | <p>shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Company shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation. <u>If a shareholders' meeting is held by video conference, the Company shall continuously and uninterruptedly record and tape the entire video conference and keep the relevant information and audio recordings for the duration of the meeting.</u></p> | <p>shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Company shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> | <p>meeting on the date of the shareholders' meeting and may propose temporary motions and conduct their voting rights on the spot. Based on the principle of fair treatment between written and electronic voting, Article 13, Paragraph 12 of the "Sample Template" stipulates that shareholders who exercise their voting rights in writing or electronically may still register to participate in shareholders' meetings by video means if they have not revoked their expression of interest, but they may not vote on the original motion or the amendment to the original motion, and they may not propose amendments to the original motion, except for provisional motions for which they may propose and exercise their voting rights. We would like to amend the Paragraph 3 of this Article and renumber it as the Paragraph 4. IV. In order to clarify that when the Company convenes a shareholders'</p> |

| Article No. | After amendment | Current articles | Explanation |
|----------------|---|---|--|
| | | | <p>meeting by video conference, the number of shares of shareholders who have completed reporting by video shall be added to the calculation of the total number of shares present, we hereby amend Paragraph 5 of this Article and renumber it as Paragraph 6.</p> <p>V. The Company adds the latter part of the Paragraph 10 of this Article with reference to the provisions of the Paragraphs 3 and 4 of Article 8 of the "Sample Template".</p> |
| Article VIII-1 | <p><u>If the shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the meeting and before the meeting is adjourned, and the number of questions shall not exceed two for each motion, and each time shall be limited to 200 words, excluding the provisions of Articles 5, 7 and 8.</u></p> | (New Article added) | <p>In order to clarify the manner, procedures and restrictions for shareholders who participate in shareholders' meetings by video, I hereby add this article with reference to the provisions of Article 11, Paragraph 7 of the "Sample Template".</p> |
| Article XI | <p><u>If the shareholders' meeting is convened by video conference, shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the meeting, and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed as abstention.</u></p> <p>Unless otherwise provided by law or the Company's Articles of Incorporation, a motion shall be</p> | <p>Unless otherwise provided by law or the Company's Articles of Incorporation, a motion shall be</p> | <p>I. When the shareholders' meeting is held by video conference, the Paragraph 1 of this Article is added in order to allow shareholders participating by video to have more time to vote.</p> |

| Article No. | After amendment | Current articles | Explanation |
|--------------|--|--|--|
| | <p>approved by a majority of the votes of the shareholders (or proxies) present.</p> <p><u>The voting and election of each motion shall be conducted in one vote and shall be a one-time count after the Chairman announces the close of the voting.</u></p> <p>If there are amendments or substitute motions to the same motion, the chairman shall determine the order of voting on them.</p> <p>The results of the voting and election shall be announced on the spot and recorded after the completion of the vote counting.</p> <p><u>If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to do so for at least fifteen minutes after the chairman announces the adjournment of the meeting.</u></p> | <p>approved by a majority of the votes of the shareholders (or proxies) present.</p> <p><u>A motion shall be voted on by ballot, and the chairman may direct that a vote be taken either on a case-by-case basis, or on each motion (including an election) in separate ballots or in one ballot, with the votes counted separately.</u></p> <p>If there are amendments or substitute motions to the same motion, the chairman shall determine the order of voting on them.</p> <p>The results of the voting and election shall be announced on the spot and recorded after the completion of the vote counting.</p> | <p>II. When a shareholders' meeting is held by video conference, the counting of votes must be done in a single count in order to accommodate the voting time of shareholders participating by video conferencing. We would like to amend the Paragraph 2 of this Article and rename it as Paragraph 3 in accordance with the addition of the Paragraph 1 of this Article.</p> <p>III. In order to enable the shareholders participating in the video conference of the shareholders' meeting to be immediately informed of the voting on the motions and the election results, the Company added Paragraph 6 of this Article with reference to Article 19 of the "Sample Template".</p> |
| Article XIII | <p><u>If a shareholders' meeting is convened by video conference, the chairman shall announce the date of the meeting within five days when the meeting is adjourned or reconvened, unless the meeting is not required to be extended or reconvened by law, due to natural disasters, events or other force majeure circumstances that prevent the video conference platform or video participation from lasting for more</u></p> | | <p>The Chairman of the Company shall announce the mechanism for handling interruptions at the meeting when the Company convenes a</p> |

| Article No. | After amendment | Current articles | Explanation |
|-------------|--|---|---|
| | <p><u>than 30 minutes.</u></p> <p>In the event of an unavoidable situation during a meeting, the chairman may suspend the meeting and announce the time of resumption of the meeting as appropriate.</p> | <p>In the event of an unavoidable situation during a meeting, the chairman may suspend the meeting and announce the time of resumption of the meeting as appropriate.</p> | <p>video conference of shareholders, and hence, the Company added Paragraph 1 of this Article with reference to Article 20, Paragraph 1 of the "Sample Template".</p> |

Extemporary Motion: Nil

Meeting Adjourned

Independent Auditors' Report

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

Audit Opinion

We have audited the consolidated balance sheets of Everest Textile Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors (refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and kissed into effect by the Financial Supervisory Commission (FSC) of ROC.

Basis for Opinion

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

Emphasis of Matters

As stated in Note 29 of the consolidated financial statements, a fire accident occurred at the warehouse of Tainan factory of the Company on March 15, 2022. Our opinion was not modified in respect of the matter emphasized.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the Group' financial statements for the year ended December 31, 2021, are as follows:

As stated in Note 4(k) Income Recognition and Note 20 Revenue of the accompanying consolidated financial statements, the Group is mainly engaged in the manufacturing and sales of various textiles such as chemical fibers, cotton and blended fabrics. The sales revenue of filament fabric of the Company has a significant impact on the overall operating income and profit of the Group, and therefore we have identified the authenticity of the sales revenue of filament fabric from specific customers of the Company as a key audit matter.

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

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

Other Matters

Regarding the subsidiaries included in the Group's consolidated financial statements, the financial statements of Everest Textile (Thailand) Co., Ltd., Everest USA Holdings, Inc., Everest Development USA, LLC., and Everest Textile USA, LLC for the year ended December 31, 2021 were audited by other auditors. In addition, the financial statements of Everest Textile (Thailand) Co., Ltd., Everest Apparel (Ethiopia) S.C., Everest Apparel (Haiti) S.A., Everest USA Holdings,

Inc., Everest Development USA, LLC., and Everest Textile USA, LLC for the year ended December 31, 2020 were also audited by other auditors. As of December 31, 2021 and 2020, the total assets of the above subsidiaries were NT\$2,686,915 thousand and NT\$4,047,433 thousand, respectively, accounted for 18% and 30% of the consolidated total assets. The net operating revenue was NT\$1,240,991 thousand and NT\$1,374,211 thousand, respectively, accounted for 12% and 19% of the net consolidated operating revenue for the years ended December 31, 2021 and 2020, respectively.

We have also audited the parent company only financial statements of Everest Textile Co., Ltd. as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion with the sections of Emphasis of Matters and Other Matters for the year ended December 31, 2021, and an unqualified opinion with the section of Other Matters for the year ended December 31, 2020.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the ROC will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements can arise from fraud or error. If it could have

been reasonably anticipated that misstated amounts, individually or in aggregate, could have influenced the economic decisions made by the users of the Consolidated Financial Statements, it will be deemed as material.

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

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

We are responsible for the direction, supervision, and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2021. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Lou Liao

CPA Li-yuan Guo

Financial Supervisory Commission

Approval No.

Jin-guan-zheng-shen-zi No. 0990031652

Securities and Futures Commission Approval

No.

Tai-cai-zheng-liu-zi No. 0920123784

March 28, 2022

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

Unit: NT\$ Thousands

| Code | Assets | December 31, 2021 | | December 31, 2020 | |
|---|---|----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % |
| Current Assets | | | | | |
| 1100 | Cash (Notes 4 and 6) | \$ 481,903 | 3 | \$ 748,191 | 6 |
| 1110 | Financial Assets at Fair Value Through Profit or Loss - Current (Notes 4 and 7) | 5,062 | - | - | - |
| 1120 | Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 8) | 81,526 | 1 | 80,742 | 1 |
| 1150 | Notes Receivable (Notes 4, 9, 20, and 26) | 62,393 | 1 | 4,026 | - |
| 1170 | Trade Receivables (Notes 4, 9, 20, and 26) | 1,902,269 | 13 | 1,336,873 | 10 |
| 1200 | Other Receivables (Notes 4 and 26) | 55,914 | - | 32,639 | - |
| 1220 | Current Tax Assets (Notes 4 and 22) | 6,186 | - | 11,359 | - |
| 130X | Inventories (Notes 4, 5, and 10) | 5,721,143 | 39 | 4,656,544 | 34 |
| 1470 | Other Current Assets (Note 14) | 134,647 | 1 | 175,618 | 1 |
| 11XX | Total Current Assets | <u>8,451,043</u> | <u>58</u> | <u>7,045,992</u> | <u>52</u> |
| Non-Current Assets | | | | | |
| 1517 | Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 And 8) | 3,448 | - | 3,448 | - |
| 1600 | Property, Plant and Equipment (Notes 4, 12, And 27) | 5,453,756 | 37 | 5,740,814 | 42 |
| 1755 | Right-Of-Use Assets (Notes 4 And 13) | 482,329 | 3 | 544,190 | 4 |
| 1840 | Deferred Tax Assets (Notes 4 And 22) | 136,977 | 1 | 134,627 | 1 |
| 1990 | Other Non-Current Assets (Note 14) | 80,199 | 1 | 96,025 | 1 |
| 15XX | Total Non-Current Assets | <u>6,156,709</u> | <u>42</u> | <u>6,519,104</u> | <u>48</u> |
| 1XXX | Total Assets | <u>\$ 14,607,752</u> | <u>100</u> | <u>\$ 13,565,096</u> | <u>100</u> |
| Liabilities and Equity | | | | | |
| Current Liabilities | | | | | |
| 2100 | Short-Term Borrowings (Notes 15, 26, And 27) | \$ 3,010,987 | 21 | \$ 2,642,698 | 20 |
| 2110 | Short-Term Bills Payable (Note 15) | 899,785 | 6 | 1,599,118 | 12 |
| 2120 | Financial Liabilities at Fair Value Through Profit or Loss - Current (Notes 4 and 7) | 22 | - | - | - |
| 2130 | Contract Liabilities - Current (Note 20) | 53,593 | - | 55,190 | 1 |
| 2150 | Notes Payable (Note 16) | 81,335 | 1 | 598 | - |
| 2160 | Notes Payable to Related Parties (Note 26) | 19,337 | - | 10,487 | - |
| 2170 | Trade Payables (Note 16) | 728,657 | 5 | 569,480 | 4 |
| 2180 | Trade Payables to Related Parties (Note 26) | 53,341 | - | 32,983 | - |
| 2219 | Other Payables (Note 17) | 469,482 | 3 | 449,842 | 3 |
| 2220 | Other Payables to Related Parties (Note 26) | 52,716 | - | 51,228 | - |
| 2230 | Current Tax Liabilities (Note 22) | 67,076 | 1 | 7,929 | - |
| 2250 | Refund Liabilities - Current | 7,154 | - | 7,154 | - |
| 2280 | Lease Liabilities - Current (Notes 4, 13, And 26) | 95,016 | 1 | 85,578 | 1 |
| 2322 | Long-Term Borrowings Due Within One Year (Notes 15, 26, And 27) | 830,000 | 6 | 697,500 | 5 |
| 2399 | Other Current Liabilities (Note 17) | 16,406 | - | 37,128 | - |
| 21XX | Total Current Liabilities | <u>6,384,907</u> | <u>44</u> | <u>6,246,913</u> | <u>46</u> |
| Non-Current Liabilities | | | | | |
| 2540 | Long-Term Borrowings (Notes 15, 26, And 27) | 717,500 | 5 | 2,758,333 | 20 |
| 2570 | Deferred Tax Liabilities (Notes 4 And 22) | 170,505 | 1 | 169,777 | 1 |
| 2580 | Lease Liabilities - Non-Current (Notes 4, 13, And 26) | 440,174 | 3 | 506,670 | 4 |
| 2640 | Net Defined Benefit Liabilities - Non-Current (Notes 4 And 18) | 76,619 | - | 75,515 | 1 |
| 2645 | Guarantee Deposits | 720 | - | 721 | - |
| 2670 | Other Non-Current Liabilities | 474 | - | 847 | - |
| 25XX | Total Non-Current Liabilities | <u>1,405,992</u> | <u>9</u> | <u>3,511,863</u> | <u>26</u> |
| 2XXX | Total Liabilities | <u>7,790,899</u> | <u>53</u> | <u>9,758,776</u> | <u>72</u> |
| Equity Attributable to Owners of The Company (Note 19) | | | | | |
| Share Capital | | | | | |
| 3110 | Ordinary Shares | 6,946,434 | 47 | 5,098,341 | 38 |
| 3200 | Capital Surplus | 115,943 | 1 | 99,644 | 1 |
| Retained Earnings (Accumulated Losses) | | | | | |
| 3310 | Legal Reserve | 174,022 | 1 | 174,022 | 1 |
| 3320 | Special Reserve | 83,073 | 1 | 83,073 | 1 |
| 3350 | Undistributed Earnings (Deficits to Be Compensated) | 183,359 | 1 | (1,151,908) | (9) |
| 3300 | Net Retained Earnings (Accumulated Losses) | 440,454 | 3 | (894,813) | (7) |
| 3400 | Other Equity Interest | (353,151) | (2) | (164,025) | (1) |
| 3500 | Treasury Shares (Note 4) | (332,836) | (2) | (332,836) | (3) |
| 31XX | Total Equity Attributable to Owners Of The Parent | 6,816,844 | 47 | 3,806,311 | 28 |
| 36XX | Non-Controlling Interests | 9 | - | 9 | - |
| 3XXX | Total Equity | <u>6,816,853</u> | <u>47</u> | <u>3,806,320</u> | <u>28</u> |
| Total Liabilities And Equity | | | | | |
| | | <u>\$ 14,607,752</u> | <u>100</u> | <u>\$ 13,565,096</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager:Ching Lai Yeh

Accounting Executive:Mei Hsiu Huang

Everest Textile Co., Ltd., and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

Unit: NT\$ Thousands

(NT\$ for earnings (net loss) per share)

| Code | | 2021 | | 2020 | |
|------|--|-------------------|--------------|--------------------|---------------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (Notes 4, 20, And 26) | \$ 10,006,733 | 100 | \$ 7,343,877 | 100 |
| 5000 | Operating costs (Notes 10, 18, 21, and 26) | <u>8,088,599</u> | <u>81</u> | <u>6,771,871</u> | <u>92</u> |
| 5900 | Gross profit | <u>1,918,134</u> | <u>19</u> | <u>572,006</u> | <u>8</u> |
| | Operating expenses (Notes 9, 18, 21, And 26) | | | | |
| 6100 | Selling and marketing expenses | 858,960 | 9 | 734,956 | 10 |
| 6200 | General and administrative expenses | 458,177 | 4 | 468,512 | 7 |
| 6300 | Research and development expenses | 227,634 | 2 | 221,895 | 3 |
| 6450 | Gains on reversal of expected credit loss | (<u>3,307</u>) | <u>-</u> | (<u>950</u>) | <u>-</u> |
| 6000 | Total operating expenses | <u>1,541,464</u> | <u>15</u> | <u>1,424,413</u> | <u>20</u> |
| 6500 | Other comprehensive income and expenses (Notes 12 and 21) | (<u>11,937</u>) | <u>-</u> | <u>573</u> | <u>-</u> |
| 6900 | Net operating profits (losses) | <u>364,733</u> | <u>4</u> | (<u>851,834</u>) | (<u>12</u>) |
| | Non-operating income and expenses (Notes 4, 7, 21, and 26) | | | | |
| 7100 | Interest income | 7,427 | - | 1,007 | - |
| 7010 | Other income | 87,390 | 1 | 121,472 | 2 |
| 7020 | Other gains and losses | (76,406) | (1) | (101,484) | (2) |
| 7510 | Interest expenses | (<u>93,656</u>) | (<u>1</u>) | (<u>101,423</u>) | (<u>1</u>) |
| 7000 | Total non-operating income and expenses | (<u>75,245</u>) | (<u>1</u>) | (<u>80,428</u>) | (<u>1</u>) |
| 7900 | Net profit (loss) before income tax | 289,488 | 3 | (932,262) | (13) |
| 7950 | Income tax expense (Notes 4 and 22) | <u>107,617</u> | <u>1</u> | <u>4,727</u> | <u>-</u> |
| 8200 | Net profit (loss) for the year | <u>181,871</u> | <u>2</u> | (<u>936,989</u>) | (<u>13</u>) |

(Continued)

(Continued)

| Code | | 2021 | | 2020 | |
|------|--|---------------------|--------------|-------------------------|---------------|
| | | Amount | % | Amount | % |
| | Other comprehensive income/(loss) | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss: | | | | |
| 8311 | Re-measurement of defined benefit plans (Note 18) | \$ 1,860 | - | \$ 392 | - |
| 8316 | Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | 784 | - | (5,806) | - |
| 8349 | Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22) | (<u>371</u>) | <u>-</u> | (<u>79</u>) | <u>-</u> |
| | | <u>2,273</u> | <u>-</u> | (<u>5,493</u>) | <u>-</u> |
| 8360 | Items that may be reclassified subsequently to profit or loss: | | | | |
| 8361 | Exchange differences on translating the financial statements of foreign operations | (<u>189,910</u>) | (<u>2</u>) | (<u>91,331</u>) | (<u>1</u>) |
| 8300 | Other comprehensive income/(loss) for the year, net of income tax | (<u>187,637</u>) | (<u>2</u>) | (<u>96,824</u>) | (<u>1</u>) |
| 8500 | Total comprehensive income/(loss) for the year | (<u>\$ 5,766</u>) | <u>-</u> | (<u>\$ 1,033,813</u>) | (<u>14</u>) |
| 8600 | Net profit (loss) attributable to: | | | | |
| 8610 | Owners of the Company | \$ 181,871 | 2 | (\$ 936,987) | (13) |
| 8620 | Non-controlling interests | <u>-</u> | <u>-</u> | (<u>2</u>) | <u>-</u> |
| | | <u>\$ 181,871</u> | <u>2</u> | (<u>\$ 936,989</u>) | (<u>13</u>) |
| 8700 | Total comprehensive income/(loss) attributable to: | | | | |
| 8710 | Owners of the Company | (\$ 5,766) | - | (\$ 1,033,811) | (14) |
| 8720 | Non-controlling interests | <u>-</u> | <u>-</u> | (<u>2</u>) | <u>-</u> |
| | | (<u>\$ 5,766</u>) | <u>-</u> | (<u>\$ 1,033,813</u>) | (<u>14</u>) |
| | Earnings (net loss) per share (Note 23) | | | | |
| 9710 | Basic | \$ 0.39 | | (\$ 2.50) | |
| 9810 | Diluted | 0.39 | | (2.50) | |

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

Unit: NT\$ Thousands

| Code | | Equity attributable to owners of the Company | | | | | | | | | | | Total | Treasury Shares | Non-Controlling Interests | Total Equity | |
|------|---|--|-----------------|--|-----------------|---|--|---|-------------|------------|---------------|-------|---------------|-----------------|---------------------------|--------------|--|
| | | Share capital | | Retained earnings (accumulated losses) | | | | Other equity | | | | | | | | | |
| | | Ordinary Shares | Capital Surplus | Legal Reserve | Special Reserve | Undistributed Earnings (Deficits to Be Compensated) | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Total | | | | | | | | |
| A1 | Balance on January 1, 2020 | \$ 5,098,341 | \$ 99,644 | \$ 174,022 | \$ 83,073 | \$ 215,234 | \$ 85,186 | \$ 18,298 | \$ 66,888 | \$ 352,836 | \$ 4,840,122 | \$ 11 | \$ 4,840,133 | | | | |
| D1 | Net loss for the year ended December 31, 2020 | - | - | - | - | (936,987) | - | - | - | - | (936,987) | (2) | (936,989) | | | | |
| D3 | Other comprehensive income/(loss) for the year ended December 31, 2020, net of income tax | - | - | - | - | 313 | (91,331) | (5,806) | (97,137) | - | (96,824) | - | (96,824) | | | | |
| D5 | Total comprehensive income (loss) for the year ended December 31, 2020 | - | - | - | - | (936,674) | (91,331) | (5,806) | (97,137) | - | (1,033,811) | (2) | (1,033,813) | | | | |
| Z1 | Balance on December 31, 2020 | 5,098,341 | 99,644 | 174,022 | 83,073 | 1,151,908 | 176,517 | 12,492 | 164,025 | 332,836 | 3,806,311 | 9 | 3,806,320 | | | | |
| F1 | Capital reduction to cover accumulated deficits (Note 19) | (1,151,907) | - | - | - | 1,151,907 | - | - | - | - | - | - | - | | | | |
| E1 | Cash capital increase (Note 19) | 3,000,000 | 16,299 | - | - | - | - | - | - | - | 3,016,299 | - | 3,016,299 | | | | |
| D1 | Net profit for the year ended December 31, 2021 | - | - | - | - | 181,871 | - | - | - | - | 181,871 | - | 181,871 | | | | |
| D3 | Other comprehensive income/(loss) for the year ended December 31, 2021, net of income tax | - | - | - | - | 1,489 | (189,910) | 784 | (189,126) | - | (187,637) | - | (187,637) | | | | |
| D5 | Total comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | 183,360 | (189,910) | 784 | (189,126) | - | (5,766) | - | (5,766) | | | | |
| Z1 | Balance on December 31, 2021 | \$ 6,946,434 | \$ 115,943 | \$ 174,022 | \$ 83,073 | \$ 183,359 | \$ 366,427 | \$ 13,276 | \$ 353,151 | \$ 332,836 | \$ 6,816,844 | \$ 9 | \$ 6,816,853 | | | | |

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

Unit: NT\$ Thousands

| Code | | 2021 | 2020 |
|--------|---|---------------|--------------|
| | Cash flows from operating activities | | |
| A10000 | Net profit (loss) before income tax for the year | \$ 289,488 | (\$ 932,262) |
| | Adjustments for: | | |
| A20100 | Depreciation expenses | 750,788 | 757,444 |
| A20300 | Gains on reversal of expected credit loss | (3,307) | (950) |
| A20900 | Interest expenses | 93,656 | 101,423 |
| A21200 | Interest income | (7,427) | (1,007) |
| A21300 | Dividend income | (2,427) | (3,917) |
| A22300 | Compensation cost of employee stock option | 24,709 | - |
| A22500 | Loss (gains) on disposal of property, plant and equipment | 5,818 | (573) |
| A23600 | Impairment loss of property, plant and equipment | 6,119 | - |
| A23700 | Inventory valuation and obsolescence losses | - | 517,347 |
| A24100 | Net losses (gains) on foreign currency exchange | (22,086) | 65,356 |
| A30000 | Net changes in operating assets and liabilities | | |
| A31130 | Notes receivable | (58,367) | 5,304 |
| A31150 | Trade receivables | (599,830) | (228,441) |
| A31180 | Other receivables | (24,291) | 20,827 |
| A31200 | Inventories | (1,177,840) | (486,766) |
| A31240 | Other current assets | 30,707 | (136) |
| A31990 | Financial assets and liabilities at fair value through profit or loss | (5,040) | - |
| A32125 | Contract liabilities | (1,597) | 36,639 |
| A32130 | Notes payable | 80,737 | (51,475) |
| A32140 | Notes payable to related parties | 8,850 | 3,971 |
| A32150 | Trade payables | 179,055 | 2,391 |
| A32160 | Trade payables to related parties | 20,358 | (16,057) |
| A32180 | Other payables | 37,450 | 39,265 |
| A32190 | Other payables to related parties | 1,488 | (4,836) |
| A32230 | Other current liabilities | (21,136) | 9,226 |
| A32240 | Net defined benefit liabilities - non-current | 2,964 | 15,859 |
| A32990 | Other non-current liabilities | (373) | (1,559) |
| A33000 | Cash used in operations | (391,534) | (152,927) |
| A33100 | Interest received | 7,444 | 1,007 |
| A33300 | Interest paid | (93,148) | (102,815) |
| A33500 | Income tax paid | (45,724) | (60,079) |
| AAAA | Net cash outflows from operating activities | (522,962) | (314,814) |

(Continued)

(Continued)

| Code | | 2021 | 2020 |
|--------|---|--------------------|--------------------|
| | Cash flows from investing activities | | |
| B00200 | Disposal of financial assets at fair value through other comprehensive income | \$ - | \$ 3,512 |
| B02700 | Acquisition of property, plant and equipment | (500,728) | (299,715) |
| B02800 | Proceeds from disposal of property, plant and equipment | 3,261 | 20,840 |
| B03700 | Increase in refundable deposits | (1,806) | (12,106) |
| B03800 | Decrease in refundable deposits | 11,020 | 1,367 |
| B07600 | Dividends received | <u>2,427</u> | <u>3,917</u> |
| BBBB | Net cash outflows from investing activities | (<u>485,826</u>) | (<u>282,185</u>) |
| | Cash flows from financing activities | | |
| C00100 | Increase in short-term borrowings | 9,511,521 | 6,927,002 |
| C00200 | Decrease in short-term borrowings | (9,053,278) | (6,922,268) |
| C00500 | Increase in short-term notes and bills payable | 10,242,818 | 8,490,954 |
| C00600 | Decrease in short-term notes and bills payable | (10,942,151) | (7,691,214) |
| C01600 | Proceeds from long-term borrowings | 1,670,000 | 1,070,000 |
| C01700 | Repayments of long-term borrowings | (3,578,333) | (606,667) |
| C03000 | Increase in guarantee deposits | 4,295 | 7,405 |
| C03100 | Decrease in guarantee deposits | (3,808) | (9,430) |
| C04020 | Payments of lease liabilities | (98,681) | (100,829) |
| C04600 | Cash capital increase | 3,000,000 | - |
| C09900 | Share issuance costs paid | (<u>8,410</u>) | - |
| CCCC | Net cash inflows from financing activities | <u>743,973</u> | <u>1,164,953</u> |
| DDDD | Effects of exchange rate changes on cash | (<u>1,473</u>) | (<u>4,908</u>) |
| EEEE | Net increase (decrease) in cash | (266,288) | 563,046 |
| E00100 | Cash balance at the beginning of the year | <u>748,191</u> | <u>185,145</u> |
| E00200 | Cash balance at the end of the year | <u>\$ 481,903</u> | <u>\$ 748,191</u> |

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Independent Auditors' Report

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

Audit Opinion

We have audited the balance sheets of Everest Textile Co., Ltd. (the "Company") as of December 31, 2021 and 2020, the statements of comprehensive income, statements of changes in equity, statements of cash flows for the years then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors (refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Opinion

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

Emphasis of Matters

As stated in Note 29 of the consolidated financial statements, a fire accident occurred at the warehouse of Tainan factory of the Company on March 15, 2022. Our opinion was not modified in respect of the matter emphasized.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the Company's financial statements for the year ended December 31, 2021 are as follows:

Sales revenue recognition

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

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

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

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

Other Matters

Certain investments in subsidiaries accounted for using the equity method in the financial statements of the Company for the years ended December 31, 2021 and 2020 were audited by other auditors. Therefore, in our opinions expressed for the financial statements, the amount of the above investments accounted for using the equity method and its profit or loss were recognized according to the report from other auditors. As of December 31, 2021 and 2020, the amounts of the above investments accounted for using the equity method were NT\$2,053,624 thousand and NT\$2,297,180 thousand, respectively, accounted for 18% and 21% of the total assets. Furthermore, for the years ended December 31, 2021 and 2020, the consolidated profit or loss recognized using the equity method was a loss of NT\$11,720 and NT\$280,979, respectively, accounted for 203% and 27% of the total consolidated profit or loss, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the ROC will always detect a material misstatement in the financial statements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the financial statements, including relevant notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or businesses within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for forming the audit opinion for the Company.

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

We also provided those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined key audit matters of the financial statements of the Company for the year ended December 31, 2021. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Lou Liao

CPA Li-yuan Guo

Financial Supervisory Commission

Approval No.

Jin-guan-zheng-shen-zi No. 0990031652

Securities and Futures Commission

Approval No.

Tai-cai-zheng-liu-zi No. 0920123784

March 28, 2022

Everest Textile Co., Ltd.
Balance Sheets
December 31, 2021 and 2020

Unit: NTS Thousands

| Code | Assets | December 31, 2021 | | December 31, 2020 | |
|---|---|----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % |
| Current Assets | | | | | |
| 1100 | Cash (Notes 4 and 6) | \$ 233,370 | 2 | \$ 303,448 | 3 |
| 1120 | Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 7) | 81,526 | 1 | 80,742 | 1 |
| 1150 | Notes Receivable (Notes 4, 8, 20, and 26) | 51,105 | 1 | 3,213 | - |
| 1170 | Trade Receivables (Notes 4, 8, and 20) | 829,461 | 8 | 535,041 | 5 |
| 1180 | Trade Receivables from Related Parties (Notes 4, 8, 20, and 26) | 99,109 | 1 | 460,890 | 4 |
| 1200 | Other Receivables (Note 4) | 40,606 | - | 27,245 | - |
| 1210 | Other Receivables from Related Parties (Notes 4 and 26) | 21,792 | - | 709,726 | 7 |
| 1220 | Current Tax Assets (Note 22) | 1,868 | - | 1,868 | - |
| 130X | Inventories (Notes 4, 5, and 9) | 3,824,625 | 34 | 2,795,444 | 26 |
| 1470 | Other Current Assets (Note 13) | 34,674 | - | 35,635 | - |
| 11XX | Total Current Assets | <u>5,218,136</u> | <u>47</u> | <u>4,953,252</u> | <u>46</u> |
| Non-Current Assets | | | | | |
| 1517 | Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 and 7) | 3,448 | - | 3,448 | - |
| 1550 | Investments Accounted For Using The Equity Method (Notes 4 and 10) | 3,079,676 | 28 | 3,160,820 | 29 |
| 1600 | Property, Plant and Equipment (Notes 4, 11, 26, 27, and 28) | 2,547,625 | 23 | 2,528,072 | 23 |
| 1755 | Right-Of-Use Assets (Notes 4 and 12) | 72,101 | - | 60,542 | 1 |
| 1840 | Deferred Tax Assets (Notes 4 and 22) | 97,809 | 1 | 95,116 | 1 |
| 1990 | Other Non-Current Assets (Note 13) | 108,643 | 1 | 51,165 | - |
| 15XX | Total Non-Current Assets | <u>5,909,302</u> | <u>53</u> | <u>5,899,163</u> | <u>54</u> |
| 1XXX | Total Assets | <u>\$ 11,127,438</u> | <u>100</u> | <u>\$ 10,852,415</u> | <u>100</u> |
| Liabilities and Equity | | | | | |
| Current Liabilities | | | | | |
| 2100 | Short-Term Borrowings (Notes 14, 26, and 27) | \$ 679,407 | 6 | \$ 1,175,727 | 11 |
| 2110 | Short-Term Bills Payable (Note 14) | 899,785 | 8 | 1,599,118 | 15 |
| 2150 | Notes Payable (Note 15) | 79,990 | 1 | 598 | - |
| 2160 | Notes Payable to Related Parties (Notes 15 and 26) | 19,337 | - | 10,487 | - |
| 2170 | Trade Payables (Note 15) | 403,234 | 4 | 299,340 | 3 |
| 2180 | Trade Payables to Related Parties (Notes 15 and 26) | 260,154 | 2 | 183,082 | 2 |
| 2219 | Other Payables (Note 16) | 326,092 | 3 | 317,323 | 3 |
| 2220 | Other Payables to Related Parties (Note 26) | 382 | - | 29,353 | - |
| 2230 | Current Tax Liabilities (Note 22) | - | - | 7,929 | - |
| 2250 | Refund Liabilities - Current (Note 17) | 7,154 | - | 7,154 | - |
| 2280 | Lease Liabilities - Current (Notes 4 and 12) | 35,464 | - | 28,594 | - |
| 2322 | Long-Term Borrowings Due Within One Year (Notes 14, 26, and 27) | 710,000 | 7 | 577,500 | 5 |
| 2399 | Other Current Liabilities (Notes 16 and 20) | 7,424 | - | 13,908 | - |
| 21XX | Total Current Liabilities | <u>3,428,423</u> | <u>31</u> | <u>4,250,113</u> | <u>39</u> |
| Non-Current Liabilities | | | | | |
| 2540 | Long-Term Borrowings (Notes 14, 26, and 27) | 597,500 | 5 | 2,518,333 | 23 |
| 2570 | Deferred Tax Liabilities (Notes 4 and 22) | 170,505 | 2 | 169,777 | 2 |
| 2580 | Lease Liabilities - Non-Current (Notes 4 and 12) | 36,826 | - | 31,645 | - |
| 2640 | Net Defined Benefit Liabilities - Non-Current (Notes 4 and 18) | 76,619 | 1 | 75,515 | 1 |
| 2645 | Guarantee Deposits | 721 | - | 721 | - |
| 25XX | Total Non-Current Liabilities | <u>882,171</u> | <u>8</u> | <u>2,795,991</u> | <u>26</u> |
| 2XXX | Total Liabilities | <u>4,310,594</u> | <u>39</u> | <u>7,046,104</u> | <u>65</u> |
| Equity (Note 19) | | | | | |
| Share Capital | | | | | |
| 3110 | Ordinary Shares | 6,946,434 | 62 | 5,098,341 | 47 |
| 3200 | Capital Surplus | 115,943 | 1 | 99,644 | 1 |
| Retained Earnings (Accumulated Losses) | | | | | |
| 3310 | Legal Reserve | 174,022 | 1 | 174,022 | 2 |
| 3320 | Special Reserve | 83,073 | 1 | 83,073 | 1 |
| 3350 | Undistributed Earnings (Deficits To Be Compensated) | 183,359 | 2 | (1,151,908) | (11) |
| 3300 | Net Retained Earnings (Accumulated Losses) | 440,454 | 4 | (894,813) | (8) |
| 3400 | Other Equity Interest | (353,151) | (3) | (164,025) | (2) |
| 3500 | Treasury Shares (Note 4) | (332,836) | (3) | (332,836) | (3) |
| 31XX | Total Equity | <u>6,816,844</u> | <u>61</u> | <u>3,806,311</u> | <u>35</u> |
| Total Liabilities and Equity | | | | | |
| | | <u>\$ 11,127,438</u> | <u>100</u> | <u>\$ 10,852,415</u> | <u>100</u> |

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.
 Statements of Comprehensive Income
 For the years ended December 31, 2021 and 2020

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

| Code | | 2021 | | 2020 | |
|------|---|------------------|-----------|--------------------|---------------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (Notes 4, 20, and 26) | \$ 6,597,881 | 100 | \$ 5,174,017 | 100 |
| 5000 | Operating costs (Notes 9, 18, 21, and 26) | <u>5,478,519</u> | <u>83</u> | <u>5,054,561</u> | <u>98</u> |
| 5900 | Gross Profit | 1,119,362 | 17 | 119,456 | 2 |
| 5910 | Unrealized gains from subsidiaries | (4,370) | - | (3,803) | - |
| 5920 | Realized profit from subsidiary | <u>3,803</u> | <u>-</u> | <u>3,984</u> | <u>-</u> |
| 5950 | Realized gross profit | <u>1,118,795</u> | <u>17</u> | <u>119,637</u> | <u>2</u> |
| | Operating expenses (Notes 18, 21, and 26) | | | | |
| 6100 | Selling and marketing expenses | 654,811 | 10 | 474,594 | 9 |
| 6200 | General and administrative expenses | 219,286 | 3 | 227,039 | 4 |
| 6300 | Research and development expenses | 177,423 | 3 | 178,463 | 4 |
| 6450 | Gains on reversal of expected credit loss | (<u>3,307</u>) | <u>-</u> | <u>-</u> | <u>-</u> |
| 6000 | Total operating expenses | <u>1,048,213</u> | <u>16</u> | <u>880,096</u> | <u>17</u> |
| 6500 | Other comprehensive income and expenses (Notes 21 and 26) | <u>3,405</u> | <u>-</u> | <u>2,747</u> | <u>-</u> |
| 6900 | Net operating profits (losses) | <u>73,987</u> | <u>1</u> | (<u>757,712</u>) | (<u>15</u>) |
| | Non-operating income and expenses (Notes 4, 21, and 26) | | | | |
| 7100 | Interest income | 3,508 | - | 6,153 | - |
| 7010 | Other income | 58,580 | 1 | 110,288 | 2 |
| 7020 | Other gains and losses | (18,919) | - | (74,949) | (1) |
| 7510 | Interest expenses | (41,988) | (1) | (54,328) | (1) |

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| Code | | 2021 | | 2020 | |
|------|--|------------|-----|----------------|------|
| | | Amount | % | Amount | % |
| 7070 | Share of profit or losses from subsidiaries accounted for using equity method | \$ 106,703 | 2 | (\$ 163,606) | (3) |
| 7000 | Total non-operating income and expenses | 107,884 | 2 | (176,442) | (3) |
| 7900 | Net profit (loss) before income tax | 181,871 | 3 | (934,154) | (18) |
| 7950 | Income tax expense (Notes 4 and 22) | - | - | 2,833 | - |
| 8200 | Net profit (loss) for the year | 181,871 | 3 | (936,987) | (18) |
| | Other comprehensive income/(loss) | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss: | | | | |
| 8311 | Re-measurement of defined benefit plans (Note 18) | 1,860 | - | 392 | - |
| 8316 | Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | 784 | - | (5,806) | - |
| 8349 | Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22) | (371) | - | (79) | - |
| | | 2,273 | - | (5,493) | - |
| 8360 | Items that may be reclassified subsequently to profit or loss: | | | | |
| 8361 | Exchange differences on translating the financial statements of foreign operations | (189,910) | (3) | (91,331) | (2) |
| 8300 | Other comprehensive income/(loss) for the year, net of income tax | (187,637) | (3) | (96,824) | (2) |
| 8500 | Total comprehensive income/(loss) for the year | (\$ 5,766) | - | (\$ 1,033,811) | (20) |
| | Earnings (net loss) per share (Note 23) | | | | |
| 9710 | Basic | \$ 0.39 | | (\$ 2.50) | |
| 9810 | Diluted | 0.39 | | (2.50) | |

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

Unit: NT\$ Thousands

| Code | | Retained Earnings (Accumulated Losses) | | | | Other Equity | | | Treasury Shares (\$ 332,836) | Total Equity \$ 4,840,122 | |
|------|---|--|------------------------------|-----------------------------|------------------------------|--|---|--|---------------------------------|------------------------------|----------------------|
| | | Share Capital \$ 5,098,341 | Capital Surplus \$ 99,644 | Legal Reserve \$ 174,022 | Special Reserve \$ 83,073 | Undistributed Earnings (Deficits to Be Compensated) (\$ 215,234) | Exchange Differences on Translating the Financial Statements of Foreign Operations (\$ 85,186) | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income \$ 18,298 | | | Total (\$ 66,888) |
| A1 | Balance on January 1, 2020 | - | - | - | - | - | - | - | - | - | - |
| D1 | Net Loss for the Year Ended December 31, 2020 | - | - | - | - | (936,987) | - | - | - | - | (936,987) |
| D3 | Other Comprehensive Income/(Loss) for the Year Ended December 31, 2020, Net of Income Tax | - | - | - | - | 313 | (91,331) | (5,806) | - | - | (96,824) |
| D5 | Total Comprehensive Income (Loss) for the Year Ended December 31, 2020 | - | - | - | - | (936,674) | (91,331) | (5,806) | - | - | (1,033,811) |
| Z1 | Balance on December 31, 2020 | 5,098,341 | 99,644 | 174,022 | 83,073 | (1,151,908) | (176,517) | 12,492 | (332,836) | - | 3,806,311 |
| F1 | Capital Reduction to Cover Accumulated Deficits (Note 19) | (1,151,907) | - | - | - | 1,151,907 | - | - | - | - | - |
| E1 | Cash Capital Increase (Note 19) | 3,000,000 | 16,299 | - | - | - | - | - | - | - | 3,016,299 |
| D1 | Net Profit for The Year Ended December 31, 2021 | - | - | - | - | 181,871 | - | - | - | - | 181,871 |
| D3 | Other Comprehensive Income/(Loss) for the Year Ended December 31, 2021, Net of Income Tax | - | - | - | - | 1,489 | (189,910) | 784 | - | - | (187,637) |
| D5 | Total Comprehensive Income (Loss) for the Year Ended December 31, 2021 | - | - | - | - | 183,360 | (189,910) | 784 | - | - | (5,766) |
| Z1 | Balance On December 31, 2021 | \$ 6,946,434 | \$ 115,943 | \$ 174,022 | \$ 83,073 | \$ 183,359 | \$ 366,427 | \$ 13,276 | (\$ 332,836) | (\$ 353,151) | \$ 6,816,844 |

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

Unit: NT\$ Thousands

| Code | | 2021 | 2020 |
|--------|---|---------------|--------------|
| | Cash Flows from Operating Activities | | |
| A10000 | Net Profit (Loss) Before Income Tax for the Year | \$ 181,871 | (\$ 934,154) |
| | Adjustments for: | | |
| A20100 | Depreciation Expenses | 304,121 | 307,174 |
| A20300 | Gains on Reversal of Expected Credit Loss | (3,307) | - |
| A20900 | Interest Expenses | 41,988 | 54,328 |
| A21200 | Interest Income | (3,508) | (6,153) |
| A21300 | Dividend Income | (2,427) | (3,917) |
| A21900 | Compensation Cost of Employee Stock Option | 24,709 | - |
| A22400 | Share Of Profit or Losses from Subsidiaries Accounted for Using Equity Method | (106,703) | 163,606 |
| A22500 | Gain On Disposal of Property, Plant and Equipment | (3,405) | (2,736) |
| A23700 | Inventory Valuation and Obsolescence Losses | - | 471,818 |
| A23900 | Unrealized Gains from Subsidiaries | 4,370 | 3,803 |
| A24000 | Realized Profit from Subsidiary | (3,803) | (3,984) |
| A29900 | Gains From the Early Termination of Lease Liabilities | (5) | (29) |
| A30000 | Net Changes in Operating Assets and Liabilities | | |
| A31130 | Notes Receivable | (47,892) | 2,334 |
| A31150 | Trade Receivables | (291,113) | (125,180) |
| A31160 | Trade Receivables from Related Parties | 361,781 | (547,281) |
| A31180 | Other Receivables | (13,361) | 15,130 |
| A31190 | Other Receivables from Related Parties | 158,202 | 310,548 |
| A31200 | Inventories | (1,029,181) | (291,208) |
| A31240 | Other Current Assets | 961 | (12,442) |
| A32125 | Contract Liabilities | (562) | 914 |
| A32130 | Notes Payable | 79,392 | (27,013) |
| A32140 | Notes Payable to Related Parties | 8,850 | 3,971 |
| A32150 | Trade Payables | 103,894 | 15,997 |
| A32160 | Trade Payables to Related Parties | 77,072 | 25,276 |
| A32180 | Other Payables | 30,451 | 21,329 |
| A32190 | Other Payables to Related Parties | (491) | (8,054) |
| A32230 | Other Current Liabilities | (5,922) | 3,879 |
| A32240 | Net Defined Benefit Liabilities - Non-Current | 2,964 | 15,859 |
| A33000 | Cash Used in Operations | (131,054) | (546,185) |
| A33100 | Interest Received | 3,508 | 6,153 |
| A33300 | Interest Paid | (42,839) | (54,258) |
| A33500 | Income Tax Paid | (10,266) | (4,400) |
| AAAA | Net Cash Outflows from Operating Activities | (180,651) | (598,690) |

(Continued)

(Continued)

| Code | | 2021 | 2020 |
|--------|--|-------------------|-------------------|
| | Cash Flows from Investing Activities | | |
| B00020 | Disposal of Financial Assets at Fair Value Through Other Comprehensive Income | \$ - | \$ 3,512 |
| B02700 | Acquisition of Property, Plant and Equipment | (362,907) | (108,261) |
| B02800 | Proceeds from Disposal of Property, Plant and Equipment | 772 | 38,133 |
| B03700 | Increase in Refundable Deposits | (249) | (1,216) |
| B03800 | Decrease in Refundable Deposits | 400 | 1,083 |
| B04300 | Increase in Other Accounts Receivable from Related Parties | - | (534,604) |
| B04400 | Decrease in Other Receivables from Related Parties | 529,732 | 666,846 |
| B07600 | Dividends Received | <u>2,427</u> | <u>3,917</u> |
| BBBB | Net Cash Inflows from Investing Activities | <u>170,175</u> | <u>69,410</u> |
| | Cash Flows from Financing Activities | | |
| C00100 | Increase in Short-Term Borrowings | 5,983,431 | 3,861,012 |
| C00200 | Decrease in Short-Term Borrowings | (6,479,751) | (3,933,033) |
| C00500 | Increase in Short-Term Notes and Bills Payable | 10,242,818 | 8,490,954 |
| C00600 | Decrease in Short-Term Notes and Bills Payable | (10,942,151) | (7,691,214) |
| C01600 | Proceeds from Long-Term Borrowings | 1,670,000 | 1,070,000 |
| C01700 | Repayments of Long-Term Borrowings | (3,458,333) | (486,667) |
| C04020 | Repayment of the Principal Portion of Lease Liabilities | (38,726) | (38,517) |
| C03100 | Decrease in Guarantee Deposits | - | (104) |
| C03800 | Decrease in Other Payables to Related Parties | (28,480) | (23,520) |
| C05400 | Acquisition of Subsidiaries | - | (468,000) |
| C04600 | Cash Capital Increase | 3,000,000 | - |
| C09900 | Share Issuance Costs Paid | (<u>8,410</u>) | - |
| CCCC | Net Cash Inflows (Outflows) from Financing Activities | (<u>59,602</u>) | <u>780,911</u> |
| EEEE | Net Increase (Decrease) in Cash | (70,078) | 251,631 |
| E00100 | Cash Balance at The Beginning of The Year | <u>303,448</u> | <u>51,817</u> |
| E00200 | Cash Balance at The End of The Year | <u>\$ 233,370</u> | <u>\$ 303,448</u> |

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2022)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

2021 Review of the Final Statement from the Audit Committee

Review of the Final Statement from the Audit Committee

The Board of Directors prepared the Company's 2021 Business Report, financial statements and proposal for earnings distribution, among which the financial statements have been audited by Accountants Hung-Ru Liao and Li-Yuan Kuo from Deloitte & Touche Taiwan, by whom an audit report has been issued accordingly.

The said business, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and determined to be in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Hereby presented for review

To:

2022 General Shareholders' Meeting

Convener of the Audit Committee: Ying-Chih Chuang

March 28, 2022