

Everest Textile Co., Ltd.
2023 Annual General Shareholders' Meeting

Time: 9:00 a.m. on Friday June 9, 2023.

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

- I. Call the meeting to order
- II. Chairperson takes chair
- III. All arise in silence
- IV. Sing the national anthem
- V. Three salutes to the flag and the statue of our Father
- VI. Chairperson remarks
- VII. Guest speaker remarks
- VIII. Report Items
- IX. Ratifications
- X. Extempore Motions
- XI. Meeting adjourned

Everest Textile Co., Ltd.
2023 General Shareholders' Meeting

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Report Items

I. Everest Textile Co., Ltd. 2022 Business Report

(I) Preface

In 2022, with the continuation of the Russia-Ukraine war conflict, and high global inflation, major economies' adoption of contractionary fiscal policies that accelerated rate lifting, consumer demand was affected, and our country's export and investment as well. Manufacturers' pressure of de-inventory continues in 2023. Although the Chinese mainland has lifted epidemic lockdown measures, the consumer momentum is gradually returning to normal situations. However, under the risks influence of climate change, competition between the United States and China, geopolitics, etc., prosperity has significantly cooled down.

Everest is a vertically integrated professional textile manufacturer in Taiwan from yarn processing, weaving, dyeing, finishing to garment whose R&D capacity is excellent. With innovation-oriented high value-added fabrics and eco-innovation fabrics, it is the best partner for international famous sports and outdoor leisure brand customers; The Company's global regional manufacturing footprint allows it to quickly and flexibly adjust to build a short chain of supply and meet the customers' need. And refine manufacturing digitally, applying AI technology to improve production efficiency to realize Industry 4.0.

The Company continues to implement ESG (environmental, social, and corporate governance) under the trend of the 2050 global net-zero carbon emissions goal. In 2022, it applied the 2022 Taiwan Corporate Sustainability Awards (TCSA), won the Golden Awards for the Corporate Sustainable Report of Manufacturing and Taiwan's Top 100 Sustainability Exemplary Awards for its ecological greening projects and long-term activities of conserving water and electricity. "Business Weekly" No. 1828 reported Taiwan's first survey - Top 100 Carbon Competitiveness, and the Company was also on the list. This is the affirmation of Everest from all walks of life to continue to deepen its ESG strategy. In the future, it will continue to achieve carbon reduction goals and enhance industrial competitiveness.

(II) The Company's operation performance in 2022

Consolidated revenue was NT\$9,807,785 thousand for 2022, a 2% decrease from 2021, and net income after tax was NT\$21,842 thousand, which resulted in an EPS of NT\$0.03 after tax. A fire broke out in the warehouse of Tainan in March 2022, and the claim was confirmed in December; although order demand was conservative due to the impact of inventory adjustment by brand manufacturers in the second half of 2022, resulting in a slight dip of revenue compared with last year, it still maintained a small increasing profit for the whole year under the proper control of costs and expenses.

Everest will use differentiated and innovative environmental protection products to deepen the cultivation of customers with high prices and large volume, and give full play to the synergy of the Group's vertical integration and global layout. It is believed that the profit in the coming year will be more prominent to reward shareholders.

(III) 2023 Business Plan, Future Company Development Strategies, Impacts from External Competition, Legal Environment, and Overall Business Environment, and Important Production and Sales Policy

Terminal demand is affected by inflation, but the need for high-performance products remains stable. Brand customers' demand for material innovation, sustainable production, and digital experience has driven the industry to invest in recyclable materials/ green process technologies. Adhering to the spirit of innovation and entrepreneurship, Everest adopts the research and development strategy of "Humanity x Science" and integrates fashion trends to provide relevant products such as multi-functional, sustainable environmentally friendly fabrics and garments., injecting new growth momentum into the Company.

Growth Momentum I: Net-zero Carbon Economy—Sustainable × Functional Textiles, Both Price and Volume Boost

As the textile industry is developing towards sustainable materials and recycling, the Company develops new membrane products for the green economy, such as: Carbon capture material, biodegradable PU, environmentally friendly bio-based membrane (non-food source); in terms of raw material yarn: Develop energy-saving and carbon reduction products such as biomass polyester, new caprolactam polymerization technology carbon reduction products, recycled tire carbon black dope dyed mechanical elastic fiber and low-temperature dyeable polyester. At the same time, the Company pays attention to the localization of circular economy and develops bio-ceramic membrane products of discarded oyster shells and thermal insulation membrane products of *Leucaena leucocephala* biochar.

Growth Momentum II: Evolution of core technology, digital drive, expansion of refine results

European Textile Trend Topics: Smart high-performance materials, digital, safe products, and responsible supply chains; Everest responds to trends and integrates smart materials and core technologies to develop multi-faceted series of products, think from the perspective of consumers, adapt to cycle upgrades and reduce product carbon footprints, and create a technological fashion product with the functions of antibacterial and deodorizing, UV protection, body temperature regulation, waterproof and moisture permeability, etc. With the digital platform, raw materials, manufacturing processes, transportation design, and other data are

combined with AI technology to improve the transparency and traceability of the supply chain and achieve zero waste in the industrial chain.

Growth Momentum III: Global layout provides customers with the best solutions to make galloping profits

Everest adopts the following four strategies to enhance market competitiveness: 1. Combining fabric R&D and clothing design, one-stop service from fabric to garment; 2. OEM specialization and technical improvement, shortening order delivery time; 3. Intelligent technology combined with factory decision-making boards to build a material demand planning system and integrate global supply and demand situation; 4. New business ecology drives revenue growth, self-media marketing, and operation, meets the needs of groups in various regions, develops customized products, and deepens localization advantages.

(IV) Conclusion

Looking ahead to the future, the evolution of various events such as inflation, interest rate lifts, energy, and wars will continually affect us, and the overall business environment will remain volatile. Everest will meet the challenges of the market with the core four strengths (innovation, wisdom, sustainability, and refinement) and 125 core technologies, build a global layout diversification chain of supply and provide customers with diverse and flexible all-round services; and actively build a smart factory and ecosystem, and extend the concept of energy saving and carbon reduction to the textile ecosystem, becoming a sustainability benchmark in the industry. In the ever-changing environment, continually evolve and agilely transform, identify key points of opportunity, reverse the situation, create positive changes, and build a sustainable and resilient enterprise.

Chairman:

Manager:

Accounting supervisor:

II. The Company 2022 Financial Reports

- (I) Consolidated Balance Sheets as of December 31, 2022
- (II) Consolidated Statements of Comprehensive Income from January 1 to December 31, 2022
- (III) Consolidated Statements of Changes in Equity from January 1 to December 31, 2022
- (IV) Consolidated Statements of Cash Flows from January 1 to December 31, 2022
- (V) Parent Company Only Balance Sheets as of December 31, 2022
- (VI) Parent Company Only Statements of Comprehensive Income from January 1 to December 31, 2022
- (VII) Parent Company Only Statements of Changes in Equity from January 1 to December 31, 2022
- (VIII) Parent Company Only Statements of Cash Flows from January 1 to December 31, 2022

The Audit Report prepared by Deloitte & Touche is attached.

(For complete financial statements, please visit the website of the Taiwan Stock Exchange Market Observation Post System at <https://mops.twse.com.tw/>)

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. and its subsidiaries (the "Group") as of December 31, 2022 and 2021, the statements of comprehensive income for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 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.

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, 2022. 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, 2022, are as follows:

The Group is mainly engaged in the manufacturing and sales of various textiles such as chemical fibers, cotton and blended fabrics. The sales revenue of filament fabric of the 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 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, 2022 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, 2021 were also audited by other auditors. As of December 31, 2022 and 2021, the total assets of the above subsidiaries were NT\$1,350,743 thousand and NT\$2,686,915 thousand, respectively, accounted for 9% and 18% of the consolidated total assets. The net operating revenue was NT\$236,957 thousand and NT\$1,240,991 thousand, respectively, accounted for 2% and 12% of the net consolidated operating revenue for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022.

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, 2022. 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 27, 2023

Everest Textile Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NTS Thousands

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Notes 4 and 6)	\$ 547,231	4	\$ 481,903	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Notes 4 and 7)	189	-	5,062	-
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 8)	-	-	81,526	1
1150	Notes Receivable (Notes 4, 10, and 21)	54,553	-	62,393	1
1170	Trade Receivables (Notes 4, 21, and 27)	1,149,237	8	1,902,269	13
1200	Other Receivables (Notes 4 and 27)	452,048	3	55,914	-
1220	Current Tax Assets (Note 23)	11,072	-	6,186	-
130X	Inventories (Notes 4 and 11)	6,148,768	41	5,721,143	39
1470	Other Current Assets (Note 15)	302,909	2	134,647	1
11XX	Total Current Assets	<u>8,666,007</u>	<u>58</u>	<u>8,451,043</u>	<u>58</u>
	Non-Current Assets				
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 and 8)	5,267	-	3,448	-
1600	Property, Plant and Equipment (Notes 4, 13, 28)	5,625,211	38	5,453,756	37
1755	Right-Of-Use Assets (Notes 4 and 14)	490,919	3	482,329	3
1840	Deferred Tax Assets (Notes 4 and 23)	130,690	1	136,977	1
1990	Other Non-Current Assets (Notes 9, 15, and 28)	59,426	-	80,199	1
15XX	Total Non-Current Assets	<u>6,311,513</u>	<u>42</u>	<u>6,156,709</u>	<u>42</u>
1XXX	Total Assets	<u>\$ 14,977,520</u>	<u>100</u>	<u>\$ 14,607,752</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-Term Borrowings (Notes 16, 27, and 28)	\$ 3,774,426	25	\$ 3,010,987	21
2110	Short-Term Bills Payable (Note 16)	869,457	6	899,785	6
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current (Notes 4 and 7)	240	-	22	-
2130	Contract Liabilities - Current (Note 21)	56,820	1	53,593	-
2150	Notes Payable (Note 17)	19,621	-	81,335	1
2160	Notes Payable to Related Parties (Notes 17 and 27)	17,048	-	19,337	-
2170	Trade Payables (Note 17)	502,472	4	728,657	5
2180	Trade Payables to Related Parties (Notes 17 and 27)	22,483	-	53,341	-
2219	Other Payables (Note 18)	432,343	3	469,482	3
2220	Other Payables to Related Parties (Note 27)	22,205	-	52,716	-
2230	Current Tax Liabilities (Note 23)	20,682	-	67,076	1
2250	Refund Liabilities - Current	7,154	-	7,154	-
2280	Lease Liabilities - Current (Notes 4, 14, and 27)	105,778	1	95,016	1
2322	Long-Term Borrowings Due Within One Year (Notes 16, 27, and 28)	490,000	3	830,000	6
2399	Other Current Liabilities (Note 18)	43,184	-	16,406	-
21XX	Total Current Liabilities	<u>6,383,913</u>	<u>43</u>	<u>6,384,907</u>	<u>44</u>
	Non-Current Liabilities				
2540	Long-Term Borrowings (Notes 16, 27 and 28)	885,918	6	717,500	5
2570	Deferred Tax Liabilities (Notes 4 and 23)	169,668	1	170,505	1
2580	Lease Liabilities - Non-Current (Notes 4, 14, and 27)	439,248	3	440,174	3
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 19)	42,937	-	76,619	-
2645	Guarantee Deposits	720	-	720	-
2670	Other non-current liabilities	402	-	474	-
25XX	Total Non-Current Liabilities	<u>1,538,893</u>	<u>10</u>	<u>1,405,992</u>	<u>9</u>
2XXX	Total Liabilities	<u>7,922,806</u>	<u>53</u>	<u>7,790,899</u>	<u>53</u>
	Equity Attributable to Owners of The Company (Note 20)				
	Share Capital				
3110	Ordinary Shares	6,946,434	46	6,946,434	47
3200	Capital Surplus	115,943	1	115,943	1
	Retained Earnings				
3310	Legal Reserve	192,358	1	174,022	1
3320	Special Reserve	248,096	2	83,073	1
3350	Undistributed Earnings	64,008	-	183,359	1
3300	Net Retained Earnings	504,462	3	440,454	3
3400	Other Equity Interest	(179,296)	(1)	(353,151)	(2)
3500	Treasury Shares (Note 4)	(332,836)	(2)	(332,836)	(2)
31XX	Total Equity Attributable to Owners of the Parent	7,054,707	47	6,816,844	47
36XX	Non-Controlling Interests	7	-	9	-
3XXX	Total Equity	<u>7,054,714</u>	<u>47</u>	<u>6,816,853</u>	<u>47</u>
	Total Liabilities and Equity	<u>\$ 14,977,520</u>	<u>100</u>	<u>\$ 14,607,752</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, 2023)

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, 2022 and 2021

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

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 21, and 27)	\$ 9,807,785	100	\$ 10,006,733	100
5000	Operating Costs (Notes 11, 19, 22, and 27)	<u>8,115,340</u>	<u>83</u>	<u>8,088,599</u>	<u>81</u>
5900	Gross Profit	<u>1,692,445</u>	<u>17</u>	<u>1,918,134</u>	<u>19</u>
	Operating Expenses (Notes 10, 19, 22 and 27)				
6100	Selling and Marketing Expenses	780,568	8	858,960	9
6200	General and Administrative Expenses	472,589	5	458,177	4
6300	Research and Development Expenses	238,475	2	227,634	2
6450	Expected Credit Impairment Loss (Reversal Gain)	<u>106,612</u>	<u>1</u>	(<u>3,307</u>)	<u>-</u>
6000	Total Operating Expenses	<u>1,598,244</u>	<u>16</u>	<u>1,541,464</u>	<u>15</u>
6500	Other Operating Income and Expenses (Notes 13 and 22)	<u>3,251</u>	<u>-</u>	(<u>11,937</u>)	<u>-</u>
6900	Net Operating Profits	<u>97,452</u>	<u>1</u>	<u>364,733</u>	<u>4</u>
	Total Non-Operating Income and Expenses (Notes 4, 7, 11, 19, 22 and 27)				
7100	Interest Income	5,151	-	7,427	-
7010	Other Income	73,090	1	87,390	1
7020	Other Gains and Losses	69,529	1	(76,406)	(1)
7510	Interest Expenses	(<u>133,841</u>)	(<u>2</u>)	(<u>93,656</u>)	(<u>1</u>)
7000	Total Non-Operating Income and Expenses	<u>13,929</u>	<u>-</u>	(<u>75,245</u>)	(<u>1</u>)
7900	Net profit before income tax	111,381	1	289,488	3
7950	Income Tax Expense (Notes 4 and 23)	<u>89,539</u>	<u>1</u>	<u>107,617</u>	<u>1</u>

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8200	Net profit for the year	<u>\$ 21,842</u>	<u>-</u>	<u>\$ 181,871</u>	<u>2</u>
	Other Comprehensive				
	Income/(Loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Re-measurement of defined benefit plans (Note 19)	35,327	-	1,860	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,598	-	784	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(<u>7,065</u>)	<u>-</u>	(<u>371</u>)	<u>-</u>
		<u>32,860</u>	<u>-</u>	<u>2,273</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>183,159</u>	<u>2</u>	(<u>189,910</u>)	(<u>2</u>)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>216,019</u>	<u>2</u>	(<u>187,637</u>)	(<u>2</u>)
8500	Total comprehensive income/(loss) for the year	<u>\$ 237,861</u>	<u>2</u>	(<u>\$ 5,766</u>)	<u>-</u>
8600	Net profit (loss) attributable to:				
8610	Owners of the Company	\$ 21,844	-	\$ 181,871	2
8620	Non-Controlling Interests	(<u>2</u>)	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 21,842</u>	<u>-</u>	<u>\$ 181,871</u>	<u>2</u>
8700	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Company	\$ 237,863	2	(\$ 5,766)	-
8720	Non-Controlling Interests	(<u>2</u>)	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 237,861</u>	<u>2</u>	(<u>\$ 5,766</u>)	<u>-</u>
	Earnings per share (Note 24)				
9710	Basic	\$ 0.03		\$ 0.39	
9810	Diluted	0.03		0.39	

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

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, 2022 and 2021

Unit: NT\$ Thousands

Code	Share Capital	Equity attributable to owners of the Company										Total	Treasury Shares	Non-Controlling Interests	Total Equity
		Retained Earnings			Other Equity Items										
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)	Exchange differences on translating the financial statements of foreign operations	Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-Controlling Interests	Total Equity			
	\$	\$	\$	\$	\$	\$	\$	\$	(\$)	(\$)	\$	\$			
A1	Balance on January 1, 2021	\$ 5,098,341	\$ 99,644	\$ 174,022	\$ 83,073	\$ 1,151,908	\$ 176,517	\$ 12,492	(\$ 164,025)	\$ 3,806,311	\$ 9	\$ 3,806,320			
F1	Capital reduction to cover accumulated deficits (Note 20)	(1,151,907)	-	-	-	1,151,907	-	-	-	-	-	-			
E1	Cash capital increase (Note 20)	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)	6,816,844	9	6,816,853			
	Distribution of 2021 earnings (Note 20)	-	-	-	-	(18,336)	-	-	-	-	-	-			
B1	Legal Reserve	-	-	18,336	-	(18,336)	-	-	-	-	-	-			
B3	Special Reserve	-	-	-	165,023	(165,023)	-	-	-	-	-	-			
D1	Net Profit for The Year Ended December 31, 2022	-	-	-	-	21,844	-	-	-	21,844	(2)	21,842			
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2022, Net of Income Tax	-	-	-	-	28,262	183,159	4,598	187,757	216,019	-	216,019			
D5	Total Comprehensive Income for the Year Ended December 31, 2022	-	-	-	-	50,106	183,159	4,598	187,757	237,863	(2)	237,861			
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-	-	-			
Z1	Balance on December 31, 2022	\$ 6,946,434	\$ 115,943	\$ 192,358	\$ 248,096	\$ 64,008	\$ 183,268	\$ 3,972	\$ 179,296	\$ 7,054,707	\$ 7	\$ 7,054,714			

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

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, 2022 and 2021

Unit: NT\$ Thousands

Code		2022	2021
	Cash flows from operating activities		
A10000	Net Profit Before Income Tax for the Year	\$ 111,381	\$ 289,488
	Adjustments for:		
A20100	Depreciation expenses	808,924	750,788
A20300	Expected Credit Impairment Loss (Reversal Gain)	106,612	(3,307)
A20900	Interest Expenses	133,841	93,656
A21200	Interest Income	(5,151)	(7,427)
A21300	Dividend Income	(1)	(2,427)
A22300	Compensation costs of employee share options	-	24,709
A22500	Loss (gain) on disposal of property, plant and equipment	(3,251)	5,818
A23600	Impairment loss of property, plant and equipment	-	6,119
A24100	Net gains on foreign currency	(24,024)	(22,086)
A29900	Fire damage	430,808	-
A29900	Gains From the Early Termination of Lease Liabilities	(9,933)	(5)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	7,840	(58,367)
A31150	Trade receivables	701,508	(599,830)
A31180	Other receivables	(395,187)	(24,291)
A31200	Inventories	(729,354)	(1,177,840)
A31240	Other current assets	(168,296)	30,707
A31990	Financial assets at fair value through profit or loss	4,873	(5,062)
A32125	Contract liabilities	3,227	(1,597)
A32130	Notes payable	(61,714)	80,737
A32140	Notes payable to related parties	(2,289)	8,850
A32150	Trade payables	(240,927)	179,055
A32160	Trade payables to related parties	(30,858)	20,358
A32180	Other payables	(38,248)	37,450
A32190	Other payables to related parties	(30,511)	1,488
A32230	Other current liabilities	28,577	(21,136)
A32240	Net defined benefit liabilities - non- current	1,645	2,964
A32250	Financial liabilities at fair value through profit or loss	218	22
A32990	Other non-current liabilities	(72)	(373)
A33000	Cash generated from (used in) operations	599,638	(391,539)
A33100	Interest received	4,401	7,444
A33300	Interest paid	(123,909)	(93,148)

(Continued)

(Continued)

Code		2022	2021
A33500	Income tax paid	(\$ 142,809)	(\$ 45,724)
AAAA	Net cash inflows (outflows) from operating activities	<u>337,321</u>	<u>(522,967)</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(100)	-
B00200	Disposal of financial assets at fair value through profit or loss	84,305	-
B02700	Acquisition of property, plant and equipment	(591,978)	(500,728)
B02800	Proceeds from disposal of property, plant and equipment	5,975	3,261
B03700	Increase in refundable deposits	(1,603)	(1,806)
B03800	Decrease in refundable deposits	1,613	11,020
B07600	Dividends received	<u>1</u>	<u>2,427</u>
BBBB	Net cash outflows from investing activities	<u>(501,787)</u>	<u>(485,826)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	11,612,379	9,511,521
C00200	Decrease in short-term borrowings	(11,082,924)	(9,053,278)
C00500	Increase in short-term notes and bills payable	12,799,727	10,242,818
C00600	Decrease in short-term notes and bills payable	(12,830,055)	(10,942,151)
C01600	Proceeds from long-term borrowings	1,787,627	1,670,000
C01700	Repayments of long-term borrowings	(1,960,000)	(3,578,333)
C03000	Increase in guarantee deposits	2,873	4,295
C03100	Decrease in guarantee deposits	(4,773)	(3,808)
C04020	Payments of lease liabilities	(120,661)	(98,677)
C04600	Cash capital increase	-	3,000,000
C09900	Payment of share issuance cost	<u>-</u>	<u>(8,410)</u>
CCCC	Net cash inflows from financing activities	<u>204,193</u>	<u>743,977</u>
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>25,601</u>	<u>(1,472)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	65,328	(266,288)
E00100	Cash balance at the beginning of the year	<u>481,903</u>	<u>748,191</u>
E00200	Cash balance at the end of the year	\$ 547,231	\$ 481,903

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

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, 2022 and 2021, the statements of comprehensive income for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 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.

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, 2022. 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, 2022 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 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, 2022 and 2021 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, 2022 and 2021, the amounts of the above investments accounted for using the equity method were NT\$955,681 thousand and

NT\$2,053,624 thousand, respectively, accounted for 8% and 18% of the total assets. Furthermore, for the years ended December 31, 2022 and 2021, the consolidated profit or loss recognized using the equity method was a loss of NT\$89,422 and NT\$11,720, respectively, accounted for 38% and 203% 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, 2022. 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

CPALou Liao

CPALi-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 27, 2023

Everest Textile Co., Ltd.
Balance Sheets
December 31, 2022 and 2021

Unit: NTS Thousands

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash (Notes 4 and 6)	\$ 131,488	1	\$ 233,370	2
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 7)	-	-	81,526	1
1150	Notes Receivable (Notes 4, 9, and 20)	50,585	1	51,105	1
1170	Trade Receivables (Notes 4, 9, and 20)	549,850	5	829,461	8
1180	Trade Receivables from Related Parties (Notes 4, 9, 20, and 26)	135,098	1	99,109	1
1200	Other Receivables (Note 4)	445,078	4	40,606	-
1210	Other Receivables from Related Parties (Notes 4 and 26)	25,685	-	21,792	-
1220	Current Tax Assets (Note 22)	1,868	-	1,868	-
130X	Inventories (Notes 4 and 10)	3,867,631	34	3,824,625	34
1470	Other Current Assets (Note 14)	73,133	1	34,674	-
11XX	Total Current Assets	<u>5,280,416</u>	<u>47</u>	<u>5,218,136</u>	<u>47</u>
	Non-Current Assets				
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 and 7)	5,267	-	3,448	-
1550	Investments Accounted For Using The Equity Method (Notes 4 and 11)	3,241,851	28	3,079,676	28
1600	Property, Plant and Equipment (Notes 4, 12, 26, and 27)	2,603,911	23	2,547,625	23
1755	Right-Of-Use Assets (Notes 4 and 13)	42,104	-	72,101	-
1840	Deferred Tax Assets (Notes 4 and 22)	91,069	1	97,809	1
1990	Other Non-Current Assets (Notes 8, 14, and 27)	88,490	1	108,643	1
15XX	Total Non-Current Assets	<u>6,072,692</u>	<u>53</u>	<u>5,909,302</u>	<u>53</u>
1XXX	Total Assets	\$ <u>11,353,108</u>	<u>100</u>	\$ <u>11,127,438</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-Term Borrowings (Notes 15, 26, and 27)	\$ 1,370,000	12	\$ 679,407	6
2110	Short-Term Bills Payable (Note 15)	869,457	8	899,785	8
2150	Notes Payable (Note 16)	19,621	-	79,990	1
2160	Notes Payable to Related Parties (Notes 16 and 26)	17,048	-	19,337	-
2170	Trade Payables (Note 16)	232,181	2	403,234	4
2180	Trade Payables to Related Parties (Notes 16 and 26)	139,432	1	260,154	2
2219	Other Payables (Note 17)	273,397	3	326,092	3
2220	Other Payables to Related Parties (Note 26)	52	-	382	-
2250	Refund Liabilities - Current	7,154	-	7,154	-
2280	Lease Liabilities - Current (Notes 4 and 13)	33,428	-	35,464	-
2322	Long-Term Borrowings Due Within One Year (Notes 15, 26, and 27)	490,000	5	710,000	7
2399	Other Current Liabilities (Notes 17 and 20)	6,888	-	7,424	-
21XX	Total Current Liabilities	<u>3,458,658</u>	<u>31</u>	<u>3,428,423</u>	<u>31</u>
	Non-Current Liabilities				
2540	Long-Term Borrowings (Notes 15, 26, and 27)	617,500	5	597,500	5
2570	Deferred Tax Liabilities (Notes 4 and 22)	169,668	2	170,505	2
2580	Lease Liabilities - Non-Current (Notes 4 and 13)	8,917	-	36,826	-
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 18)	42,937	-	76,619	1
2645	Guarantee Deposits	721	-	721	-
25XX	Total Non-Current Liabilities	<u>839,743</u>	<u>7</u>	<u>882,171</u>	<u>8</u>
2XXX	Total Liabilities	<u>4,298,401</u>	<u>38</u>	<u>4,310,594</u>	<u>39</u>
	Equity (Note 19)				
	Share Capital				
3110	Ordinary Shares	6,946,434	61	6,946,434	62
3200	Capital Surplus	115,943	1	115,943	1
	Retained Earnings				
3310	Legal Reserve	192,358	2	174,022	1
3320	Special Reserve	248,096	2	83,073	1
3350	Undistributed Earnings	64,008	1	183,359	2
3300	Net Retained Earnings	504,462	5	440,454	4
3400	Other Equity Interest	(179,296)	(2)	(353,151)	(3)
3500	Treasury Shares (Note 4)	(332,836)	(3)	(332,836)	(3)
31XX	Total Equity	<u>7,054,707</u>	<u>62</u>	<u>6,816,844</u>	<u>61</u>
	Total Liabilities and Equity	\$ <u>11,353,108</u>	<u>100</u>	\$ <u>11,127,438</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 28, 2023)

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, 2022 and 2021

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

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 20, and 26)	\$ 6,869,836	100	\$ 6,597,881	100
5000	Operating Costs (Notes 9, 18, 21, and 26)	<u>5,858,983</u>	<u>85</u>	<u>5,478,519</u>	<u>83</u>
5900	Gross Profit	1,010,853	15	1,119,362	17
5910	Unrealized gains from subsidiaries	(16,022)	-	(4,370)	-
5920	Realized profit from subsidiary	<u>4,370</u>	<u>-</u>	<u>3,803</u>	<u>-</u>
5950	Realized gross profit	<u>999,201</u>	<u>15</u>	<u>1,118,795</u>	<u>17</u>
	Operating Expenses (Notes 9, 18, 21, and 26)				
6100	Selling and Marketing Expenses	593,026	9	654,811	10
6200	General and Administrative Expenses	226,400	3	219,286	3
6300	Research and Development Expenses	189,063	3	177,423	3
6450	Gains on Reversal of Expected Credit Loss	<u>-</u>	<u>-</u>	(<u>3,307</u>)	<u>-</u>
6000	Total Operating Expenses	<u>1,008,489</u>	<u>15</u>	<u>1,048,213</u>	<u>16</u>
6500	Other comprehensive income and expenses (Notes 21 and 26)	<u>5,245</u>	<u>-</u>	<u>3,405</u>	<u>-</u>
6900	Net operating profits (losses)	(<u>4,043</u>)	<u>-</u>	<u>73,987</u>	<u>1</u>
	Non-Operating Income and Expenses (Notes 4, 10, 21 and 26)				
7100	Interest Income	498	-	3,508	-
7010	Other Income	43,792	1	58,580	1
7020	Other Gains and Losses	36,382	-	(18,919)	-
7510	Interest Expenses	(39,104)	(1)	(41,988)	(1)

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7070	Share of profit or losses from subsidiaries accounted for using equity method	<u>(\$ 12,519)</u>	<u>-</u>	<u>\$ 106,703</u>	<u>2</u>
7000	Total Non-Operating Income and Expenses	<u>29,049</u>	<u>-</u>	<u>107,884</u>	<u>2</u>
7900	Net profit before income tax	25,006	-	181,871	3
7950	Income Tax Expense (Notes 4 and 22)	<u>3,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Net profit for the year	<u>21,844</u>	<u>-</u>	<u>181,871</u>	<u>3</u>
	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)	35,327	-	1,860	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,598	-	784	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	<u>(7,065)</u>	<u>-</u>	<u>(371)</u>	<u>-</u>
		<u>32,860</u>	<u>-</u>	<u>2,273</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>183,159</u>	<u>3</u>	<u>(189,910)</u>	<u>(3)</u>
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>216,019</u>	<u>3</u>	<u>(187,637)</u>	<u>(3)</u>
8500	Total comprehensive income/(loss) for the year	<u>\$ 237,863</u>	<u>3</u>	<u>(\$ 5,766)</u>	<u>-</u>
	Earnings per share (Note 23)				
9710	Basic	\$ 0.03		\$ 0.39	
9810	Diluted	0.03		0.39	

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

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, 2022 and 2021

Unit: NT\$ Thousands

Code		Retained Earnings			Other Equity Items		Total Equity			
		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)		Exchange differences on translating the financial statements of foreign operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares
A1	Balance on January 1, 2021	\$ 5,098,341	\$ 99,644	\$ 174,022	\$ 83,073	\$ 1,151,908	\$ 176,517	\$ 12,492	\$ 164,025	\$ 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	(189,126)	(187,637)
D5	Total Comprehensive Income (Loss) for the Year Ended December 31, 2021	-	-	-	-	183,360	(189,910)	784	(189,126)	(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)	6,816,844
B1	Distribution of 2021 earnings (Note 19)	-	-	18,336	-	(18,336)	-	-	-	-
B3	Legal Reserve Special Reserve	-	-	-	165,023	(165,023)	-	-	-	-
D1	Net Profit for The Year Ended December 31, 2022	-	-	-	-	21,844	-	-	-	21,844
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2022, Net of Income Tax	-	-	-	-	28,262	183,159	4,598	187,757	216,019
D5	Total Comprehensive Income for the Year Ended December 31, 2022	-	-	-	-	50,106	183,159	4,598	187,757	237,863
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-
Z1	Balance on December 31, 2022	\$ 6,946,434	\$ 115,943	\$ 192,358	\$ 248,096	\$ 64,008	\$ 183,268	\$ 3,972	\$ 179,296	\$ 7,054,707

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

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, 2022 and 2021

Unit: NT\$ Thousands

Code		2022	2021
	Cash flows from operating activities		
A10000	Net Profit Before Income Tax for the Year	\$ 25,006	\$ 181,871
	Adjustments for:		
A20100	Depreciation expenses	320,955	304,121
A20300	Gains on Reversal of Expected Credit Loss	-	(3,307)
A20900	Interest Expenses	39,104	41,988
A21200	Interest Income	(498)	(3,508)
A21300	Dividend Income	(1)	(2,427)
A29900	Fire damage	430,808	-
A21900	Compensation costs of employee share options	-	24,709
A22400	Share Of Profit or Losses from Subsidiaries Accounted for Using Equity Method	12,519	(106,703)
A22500	Gain on disposal of property, plant and equipment	(5,245)	(3,405)
A23900	Unrealized gains from subsidiaries	16,022	4,370
A24000	Realized profit from subsidiary	(4,370)	(3,803)
A29900	Gains (Losses) From the Early Termination of Lease Liabilities	7	(5)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	520	(47,892)
A31150	Trade receivables	279,611	(291,113)
A31160	Trade receivables from related parties	(35,989)	361,781
A31180	Other receivables	(404,472)	(13,361)
A31190	Other receivables from related parties	(3,893)	158,202
A31200	Inventories	(468,058)	(1,029,181)
A31240	Other current assets	(38,459)	961
A32125	Contract liabilities	(384)	(562)
A32130	Notes payable	(60,369)	79,392
A32140	Notes payable to related parties	(2,289)	8,850
A32150	Trade payables	(171,053)	103,894
A32160	Trade payables to related parties	(120,722)	77,072
A32180	Other payables	(40,564)	30,451
A32190	Other payables to related parties	(330)	(491)
A32230	Other current liabilities	(152)	(5,922)
A32240	Net defined benefit liabilities - non-current	<u>1,645</u>	<u>2,964</u>
A33000	Cash Used in Operations	(230,651)	(131,054)
A33100	Interest received	498	3,508
A33300	Interest paid	(39,955)	(42,839)
A33500	Income tax paid	<u>(4,324)</u>	<u>(10,266)</u>
AAAA	Net Cash Outflows from Operating Activities	<u>(274,432)</u>	<u>(180,651)</u>

(Continued)

(Continued)

Code		2022	2021
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 100)	\$ -
B00020	Disposal of financial assets at fair value through other comprehensive income	84,305	-
B02700	Acquisition of property, plant and equipment	(335,049)	(362,907)
B02800	Proceeds from disposal of property, plant and equipment	-	772
B03700	Increase in refundable deposits	(899)	(249)
B03800	Decrease in refundable deposits	1,217	400
B04400	Decrease in Other Receivables from Related Parties	-	529,732
B07600	Dividends received	<u>1</u>	<u>2,427</u>
BBBB	Net Cash Inflows (Outflows) from Investing Activities	(<u>250,525</u>)	<u>170,175</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	7,736,597	5,983,431
C00200	Decrease in short-term borrowings	(7,046,004)	(6,479,751)
C00500	Increase in short-term notes and bills payable	12,799,727	10,242,818
C00600	Decrease in short-term notes and bills payable	(12,830,055)	(10,942,151)
C01600	Proceeds from long-term borrowings	1,760,000	1,670,000
C01700	Repayments of long-term borrowings	(1,960,000)	(3,458,333)
C04020	Repayment of the Principal Portion of Lease Liabilities	(37,190)	(38,726)
C03800	Decrease in Other Payables to Related Parties	-	(28,480)
C04600	Cash capital increase	-	3,000,000
C09900	Payment of share issuance cost	<u>-</u>	(<u>8,410</u>)
CCCC	Net Cash Inflows (Outflows) from Financing Activities	<u>423,075</u>	(<u>59,602</u>)
EEEE	Net decrease in cash	(101,882)	(70,078)
E00100	Cash Balance at The Beginning of The Year	<u>233,370</u>	<u>303,448</u>
E00200	Cash Balance at The End of The Year	\$ 131,488	\$ 233,370

The accompanying notes are an integral part of the financial statements.
(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

Chairman: Johnny Hih

Manager: Ching Lai Yeh

Accounting Executive: Mei Hsiu Huang

III. 2022 Review of the Final Statement from the Audit Committee

Everest Textile Co., Ltd.

2022 Review of the Final Statement from the Audit Committee

Hereby approve

The Board of Directors prepared the Company's 2022 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:
2023 General Shareholders' Meeting

Convener of the Audit Committee: Ying Chih Chuang

March 27, 2023

IV. Report on Directors' and Employees' Remuneration for 2022

Description:

- I. In accordance with Article 26 of the Company's Articles of Incorporation, if the Company has profit for the current year, it shall set aside 2% to 3.5% of the balance as employees' remuneration and no greater than 2.5% of the balance as remuneration to Directors.**
- II. For 2022, the Company appropriated no remuneration for directors and NT\$906,000 (3.5%) as employees' bonuses in cash.**
- III. It was approved in the 9th meeting of the 12th Board of Directors.**
- IV. Please review.**

Ratifications

Proposal 1

Proposed by the board of directors

Reason: The 2022 accounts book. Please ratify.

Description:

- I. The Company's 2022 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 5 to 26) 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:

Proposal 2

Proposed by the board of directors

Reason: The 2022 Profit Distribution Plan. Please ratify.

Description:

- I. The Company's 2022 Profit Distribution Plan is as follows:
 1. Beginning balance of unappropriated earnings 0
 2. Net income after tax of 2022 (EPS of NT\$0.03) 21,844,662
 3. Add: Gains (losses) on re-measurements of defined benefit plans recognized as retained earnings 28,261,688
 4. Add: Disposal of equity instruments at fair value through other comprehensive income, accumulated profit or loss directly transferred to retained earnings 13,902,355
 5. Net income for the period plus items other than net income for the period included in unappropriated earnings for the year 64,008,705
 6. Less: Legal reserve (6,400,871)
 7. Less: Special legal reserve (57,607,834)
 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 2022.
- III. Please ratify.

Resolution:

Extempore Motions

Chapter

Everest Textile Co., Ltd.

Articles of Incorporation

Chapter 1 General Principles

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called: Everest Textile Co., LTD.

Article 2 The Company's businesses are as follows:

1. C301010 Yarn Spinning Mills
2. C302010 Knit Fabric Mills
3. C305010 Printing, Dyeing, and Finishing Mills
4. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
5. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
6. F401010 International Trade
7. C306010 Outerwear Knitting Mills
8. F107020 Wholesale of Dyeing Mills and Dyestuff
9. F107170 Wholesale of Industrial Catalyst
10. F107200 Wholesale of Chemistry Raw Material
11. F207020 Retail Sale of Dyeing Mills and Dyestuff
12. F207170 Retail Sale of Industrial Catalyst
13. F207200 Retail sale of Chemistry Raw Material
14. E604010 Machinery Installation Construction
15. F113100 Wholesale of Pollution Controlling Equipment
16. F213100 Retail Sale of Pollution Controlling Equipment
17. C801120 Manmade Fiber Manufacturing
18. H701010 Residence and Buildings Lease Sale Construction and Development
19. H701020 Industrial Factory Buildings Lease Sale Construction and Development
20. H701040 Specialized Field Construction and Development

21. G801010 Warehousing and Storage
22. C805010 Plastic Sheets, Pipes and Tubes Manufacturing
23. C805020 Plastic Sheets & Bags Manufacturing
24. C805060 Plastic Leathers Manufacturing
25. C805070 Strengthened Plastic Products Manufacturing
26. C399990 Other Textile Products Manufacturing
27. EZ05010 Apparatus Installation Construction
28. F107990 Wholesale of Other Chemical Products
29. F113010 Wholesale of Machinery.
30. F113030 Wholesale of Precision Instruments
31. F207990 Retail Sale of Other Chemical Products
32. F213040 Retail Sale of Precision Instruments
33. F213080 Retail Sale of Machinery and Equipment
34. H701060 New County and Community Construction and Investment
35. I103060 Management Consulting Services
36. IZ06010 Cargoes Packaging
37. CF01011 Medical Materials and Equipment Manufacturing
38. F108031 Wholesale of Drugs, Medical Goods
39. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
40. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 The Company may provide guarantees for third parties in accordance with the Company bylaw of “Procedures for Endorsements and Guarantees”.

Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital regardless of the stipulated Article 13 of the Company Act, only subject to approval of the Board of Directors.

Article 5 The Company is incorporated in Tainan. The Board of Directors may by resolution approve the establishment of domestic and international branches where it deems necessary.

Chapter 2 Share Capital

- Article 6 The Company's total capital shall be NT\$8,000,000,000 divided into 800,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue separately the un-issued shares.
- Article 7 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.
The Company can issue special stock.
In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.
- Article 8 The Company's stock affairs are handled in accordance with the "Regulations Governing the Handling of Stock Issued by Public Companies" and other relevant laws and regulations.
- Article 9 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or within 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3 Shareholders' Meeting

- Article 10 The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings:
I. General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's fiscal year.
II. Extraordinary Shareholders' Meeting shall be convened pursuant to the relevant laws or regulations.
- Article 11 The shareholders shall be notified of the date, place, and reason for the meeting at least 30 days prior to the general shareholders' meeting and 15 days prior to the extraordinary shareholders' meeting, and the meeting shall be announced in accordance with the law.
The shareholders' meeting may be held by video conferencing or the method announced by other central competent authorities.
- Article 12 Unless otherwise stipulated by the Company Act, a quorum shall be present at the shareholders' meeting with shareholders

representing more than half of the shares issued by the Company and resolutions at the said assembly shall be passed if approved by more than half of the shareholders in attendance.

Article 13 Shareholders may by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.

Unless otherwise stipulated by the Company Act, attendance of shareholder's proxies shall be in accordance with the provisions of "Regulation Governing the Use of Proxies For Attendance of Shareholders' Meeting of Public Companies".

Article 14 Unless otherwise stipulated by the Company Act and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for shareholders' meeting.

Article 15 Minutes and resolutions of shareholders' meeting shall be recorded and signed by or affixed with the seal of the chairman of the meeting. The said minutes and resolutions shall be kept, together with the register of shareholders' attendance and the proxies' powers of attorney, in compliance with the law.

Chapter 4 Directors and Managers

Article 16 Article 16: There shall be 9 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".

3 Independent Directors shall be elected from the list of persons with legal capacity.

Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of

candidates. The election of Independent, Non-Independent Directors should be held together, yet with the elected calculated separately.

- Article 16-1 The Audit Committee, which is composed of all the Independent Directors, is installed in accordance with the Article 14-4 of Securities and Exchange Act, in charge of the execution of Company Act, Securities and Exchange Act, and other stipulated functions of Supervisors.
The members of Audit Committee, its functions and other mandates shall follow the relevant laws and regulations or corporate rules. The organization regulations will be enacted by Board of Directors.
- Article 17 Each term of the Directors' appointments are for a period of 3 years. Same Directors may be reappointed following the re-election.
- Article 18 The directors organize the board of directors to exercise the powers of the directors. The directors choose one person as the chairman to represent the company and one person as the vice chairman. When the chairman of the board asks for leave or cannot exercise his powers for some reason, the vice chairman of the board shall act on his behalf.
When the vice chairman also asks for leave or cannot exercise his powers for some reason, the director appointed by the chairman shall act as his agent.
If not specified, the directors will push each other to represent.
- Article 19 The board of directors shall be convened by the chairman of the board of directors and convened once a quarter. Unless otherwise stipulated by the company law, more than half of the directors shall attend the meeting. The resolution shall be agreed by the majority of the directors present. The Minister may convene an ad hoc meeting at any time.
When directors cannot attend the board of directors in person, they may entrust other directors to act in accordance with the law. The notice of the convening of the board of directors may be in writing, email or fax.
- Article 20 Delete.

- Article 21 Delete.
- Article 22 The company has several general managers, deputy general managers and other managers, and one audit supervisor. The board of directors shall be attended by more than half of the directors, and the majority of the directors present shall agree to appoint or remove them.
- Article 23 Chairman shall designate the candidate of an additional post which he deems necessary and assign his/her tasks.
- Article23-1 The Company shall purchase the liability insurance for Directors and important staff according to respective business scopes and liabilities pursuant to laws.

Chapter 5 Accounting

- Article 24 The Company's fiscal year shall commence on the First of January of each year, and ends on the Thirty-first of December of the same year. The financial documents and statements shall be inspected.
- Article 25 The Board of Directors shall in accordance with law furnish various documents and statements and submit to the General Shareholders' Meeting for approval.
- Article 26 Should the Company have profit for the current year, the proportioned 2%-3.5% of the profit shall be allocated as employees' bonuses, and less than 2.5% as Directors' remuneration. However, if the Company has accumulated losses, the profit shall be prioritized for deficit offset. Employee's bonuses could be in form of cash or stocks. The actual ratio, amount, form and number of stock are to be proposed to the Board of Directors, with over two thirds of the Directors in attendance, and passed and approved by the majority of Directors in attendance, prior to reporting to the General Shareholders' Meeting. Same shall be applied to the Directors' remuneration, the ratio and amount will be approved by the Board prior to the General Shareholders' Meeting.
- Article 27 Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. In

respect to certain business conditions, the Company may retain a portion of the special reserve as required by law together with undistributed profits from previous years, and distribute evenly the remainder to the shareholders. When there is a share capital increase, the allocated bonuses of the year for the new shares shall be dealt with according to the resolution of the General Shareholders' Meeting.

The allocation of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions, improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required. The dividends distributed shall be no less than 50% of the balance of net profit after tax and deduction of deficits offset, legal reserve and special reserve, and the cash dividends shall be not less than 10% of the aggregate sum of dividends and bonus distributed in the same year.

Article 28 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.

Article 29 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 general shareholders' meeting, or upon approval of the shareholders' meeting upon amendment.

The first amendment was made on April 26, 1990. The second amendment was made on June 14, 1991. The third amendment was made on June 4, 1992. The fourth amendment was made on May 28, 1993. The fifth amendment was made on May 31, 1994. The sixth amendment was made on March 24, 1995. The seventh amendment was made on May 2, 1996. The eighth amendment was made on May 10, 1997. The ninth amendment was made on April 30, 1998. The tenth amendment was made on May 28, 1999. The eleventh amendment was made on May 9, 2000. The twelfth amendment was made on June 11, 2002. The thirteenth amendment was made on June 1, 2006. The fourteenth amendment

was made on June 10, 2008. The fifteenth amendment was made on June 10, 2011. The sixteenth amendment was made on June 8, 2012. The seventeenth amendment was made on June 12, 2014. The eighteenth amendment was made on June 3, 2016. The nineteenth amendment was made on June 7, 2017. The twentieth amendment was made on June 12, 2018. The twenty-first amendment was made on June 14, 2019. The twenty-second amendment was made on June 15, 2020. The twenty-third amendment was made on May 4, 2021. The twenty-fourth amendment was made on June 16, 2022.

Everest Textile Co., Ltd.

Chairman: Jia Yi Xi

Everest Textile Co., Ltd.

Rules of Procedure of Shareholders' Meeting

Amended by Shareholders' meeting on June 15, 2020

Article 1 The Company's shareholders' meeting shall be held in accordance with these Rules.

Article 2 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.

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 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.

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.

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.

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.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

If a shareholders meeting is convened by the Board of Directors, the meeting 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.

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.

Article 3

When a shareholders' meeting is attended by shareholders (or proxies) representing a majority of the total number of issued shares, the chairman shall call the meeting to order. If the meeting time is not sufficient for the quorum, the chairman may adjourn the meeting for a second time, and the total time of the adjournment shall not exceed one hour. If the number of shareholders (or proxies) representing at least one-third of the total number of issued shares is not sufficient after two postponements, the ordinary resolution shall be duly passed by a majority of the votes of the shareholders (or proxies) present.

If the number of shares represented by the shareholders (or proxies) present at the meeting is sufficient to constitute a quorum after the preceding dummy resolution is made, the chairman may re-submit the dummy resolution made to the meeting for a vote.

Article 4

If a shareholders' meeting is convened by the Board of Directors,

the agenda shall be set by the Board of Directors, and the meeting shall be held in accordance with the program set forth in the agenda, and no change shall be made without a resolution.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting.

If the chairman of a shareholders' meeting violates the preceding provision and adjourns the meeting, the meeting may continue by electing a chairman with the consent of a majority of the shareholders present to vote.

After the meeting has been adjourned, the shareholders shall not elect another chairman for the meeting at the same place or another venue.

Article 5 Before a shareholder (or proxy) speaks, he/she must fill in the attendance card number, account name, and the main idea of his/her speech with a speech slip, and the chairman will specify the priority of his/her speech.

A shareholder (or proxy) in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the confirmed spoken content shall prevail.

Article 6 The motion should be put in writing. In addition to the motions listed on the agenda, any amendment to the original motion, substitute motion or other motion made by proxy shall be seconded by other shareholders (or proxies), and the same applies to changes to the agenda and motions to adjourn the meeting.

The proposal, together with the seconder, should represent 100,000 shares.

Article 7 The proposal shall be limited to five minutes for explanation, and three minutes for each speaker for questioning or answering, but may be extended for three minutes with the permission of the chairman.

If a shareholder (or proxy) speaks out of time, out of order or outside the scope of the question, the chairman may stop him/her from speaking. When a shareholder (or proxy) is present, no other shareholder (or proxy) may interfere with the speech except with the consent of the chairman and the shareholder (or proxy) who is

- speaking, and the chairman shall stop any violation.
In the event that the President's prohibition is not met, the provisions of Article 15 shall apply.
- Article 8 Each person may not speak more than twice on the same motion.
When a juristic person is appointed to attend as proxy, such juristic person may designate the said juristic only one person to represent it in the meeting.
If a corporate shareholder designates two or more representatives to attend a shareholders' meeting, only one of them may speak.
- Article 9 After an attending shareholder (or proxy) has spoken, the chair may respond in person or direct relevant personnel to respond.
During the discussion of a motion, the chairman may declare the end of the discussion at an appropriate time and, if necessary, may declare the discussion closed.
- Article 10 After the motion to end discussion or to stop discussion is declared, the chairman puts the motion to vote.
No motion will be discussed or voted on unless it is a motion.
The chairman of the board of directors shall designate the person who will monitor and count the votes on motions.
- Article 11 Unless otherwise provided by law or the Company's Articles of Incorporation, a motion shall be approved by a majority of the votes of the shareholders (or proxies) present.
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.
If there are amendments or substitute motions to the same motion, the chairman shall determine the order of voting on them.
The results of the voting and election shall be announced on the spot and recorded after the completion of the vote counting.
- Article 12 During the meeting, the chairman may declare a break at his discretion.
- Article 13 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.
- Article 14 The chairperson may direct patrol personnel (or security personnel) to assist in maintaining the order of the meeting. Such patrol personnel (or security personnel) shall wear arm badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.
- Article 15 Shareholders (or proxies) shall obey the direction of the chairman, the marshal (or security officer) regarding the maintenance of

order. The chairman or the inspector (or the security officer) may exclude any person who disrupts the shareholders' meeting.

Article 16 Matters not provided for in this rule shall be governed by the Company Law, the Securities and Exchange Act and other relevant laws and regulations.

Article 17 These Rules and any amendments hereto shall be implemented after being resolved in the shareholders' meetings.

Appendices

Everest Textile Co., Ltd. Current Shareholding of the 12th Board of Directors

April 11, 2023

Title	Name	Representative	Shareholdings	Percentage of Ownership (%)	Shareholdings of the representative	Remark
Chairman	Da Ju Fiber Co., Ltd.	Jia Yi Xi	1,431,523	0.21%	1,439,576	
Directors	Yuan Ding Investment Co., Ltd.	Donglas Tong Hsu	164,613,745	23.70%	0	
		Kao Shan Wu			242,951	
		Wen Kuei Hsiang			203,511	
	Yue Ding Industry Co., Ltd.	Ching Lai Yeh	3,553,661	0.51%	2,198,385	
	Shuo Quan Co., Ltd.	Shou Chun Yeh	141,664	0.02%	2,132,613	
	Yu Yuan Investment Co., Ltd.	Haw Sheng Lin	16,366,066	2.36%	2,132,169	
		Charles Wang			0	
Independent Director	Ying Chih Chuang		805,881	0.12%		
	Shiou Chung Chen		0	0	0	
	Jen Fa Chen		1,296,286	0.19%		
	Total effective shareholding of all directors		188,208,826	27.09%		
	All directors' authorized shareholding		22,228,591	3.20%		

**The effect of the issuance of bonus shares on the Company's operating performance, earnings per share and shareholders' return on investment
(Not applicable)**

Items		2023
Paid-in capital in the beginning		6,946,434,840
Dividend allotment for the year	Cash dividends per share (NT\$)	0
	Number of allotted shares per share (shares)	0
	Number of shares per 1,000 shares from capital surplus (shares)	0
Changes in operating efficiency	Business Profits	Not applicable (Note)
	Operating income increased (decreased) from the same period last year (%)	
	Net income after tax	
	Net income after tax increased (decreased) over the same period last year (%)	
	Earnings per Share	
	Earnings per share increase (decrease) over the same period last year (%)	
Proposed mandatory earnings per share and capital gain ratio	If all of the capital surplus is transferred to cash dividends	Not applicable (Note)
	If the capital reserve has not been transferred to capital	
	If the capital reserve has not been transferred to capital and the capital surplus is transferred to distribution by cash dividends	

Note: In accordance with the "Guidelines for Disclosure of Financial Forecasts by Public Companies", the Company has not disclosed its financial forecast for 2023, so there is no need to disclose this information.