Stock Code: 1460

Everest Textile Co., Ltd.
and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

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Declaration of Consolidated Financial Statements of Affiliates

The companies required to be included in the Company’s consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in IFRS 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, no separate set of consolidated financial statements of affiliates would be otherwise prepared.

Hereby certify

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

Chairman: Johnny Hih

March 28, 2022

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 Amount	%	December 31, 2020 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	8,451,043	58	7,045,992	52
	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	6,156,709	42	6,519,104	48
1XXX	Total Assets	$ 14,607,752	100	$ 13,565,096	100
Code	**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	6,384,907	44	6,246,913	46
	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	1,405,992	9	3,511,863	26
2XXX	Total Liabilities	7,790,899	53	9,758,776	72
	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	6,816,853	47	3,806,320	28
	Total Liabilities And Equity	$ 14,607,752	100	$ 13,565,096	100

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)

		2021		2020	
Code		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)	8,088,599	81	6,771,871	92
5900	Gross profit	1,918,134	19	572,006	8
	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	(3,307)	-	(950)	-
6000	Total operating expenses	1,541,464	15	1,424,413	20
6500	Other comprehensive income and expenses (Notes 12 and 21)	(11,937)	-	573	-
6900	Net operating profits (losses)	364,733	4	(851,834)	(12)
	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	(93,656)	(1)	(101,423)	(1)
7000	Total non-operating income and expenses	(75,245)	(1)	(80,428)	(1)
7900	Net profit (loss) before income tax	289,488	3	(932,262)	(13)
7950	Income tax expense (Notes 4 and 22)	107,617	1	4,727	-
8200	Net profit (loss) for the year	181,871	2	(936,989)	(13)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	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)	(2)	(91,331)	(1)
8300	Other comprehensive income/(loss) for the year, net of income tax	(187,637)	(2)	(96,824)	(1)
8500	Total comprehensive income/(loss) for the year	($ 5,766)	-	($ 1,033,813)	(14)
8600	Net profit (loss) attributable to:				
8610	Owners of the Company	$ 181,871	2	($ 936,987)	(13)
8620	Non-controlling interests	-	-	(2)	-
		$ 181,871	2	($ 936,989)	(13)
8700	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Company	($ 5,766)	-	($ 1,033,811)	(14)
8720	Non-controlling interests	-	-	(2)	-
		($ 5,766)	-	($ 1,033,813)	(14)
	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

		Equity attributable to owners of the Company											
		Share capital		Retained earnings (accumulated losses)			Other equity						
Code		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (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, 2020	$ 5,098,341	$ 99,644	$ 174,022	$ 83,073	($ 215,234)	($ 85,186)	$ 18,298	($ 66,888)	($ 332,836)	$ 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)

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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	2,427	3,917
BBBB	Net cash outflows from investing activities	(485,826)	(282,185)
	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	(8,410)	-
CCCC	Net cash inflows from financing activities	743,973	1,164,953
DDDD	Effects of exchange rate changes on cash	(1,473)	(4,908)
EEEE	Net increase (decrease) in cash	(266,288)	563,046
E00100	Cash balance at the beginning of the year	748,191	185,145
E00200	Cash balance at the end of the year	$ 481,903	$ 748,191

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

(Unit: NT$ Thousands, unless specified otherwise)

I. General Information

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

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

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

II. Date and Procedures for the Approval of Financial Statements

The financial statements were approved by the board of directors (the “Board”) on March 3, 2022.

III. Application of New and Amended Standards and Interpretations

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

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

(II) The IFRSs endorsed by the FSC for application starting from 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 apply to the exchanges of financial liabilities or the alterations in its terms that occur during the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" apply to the fair value measurements during the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" apply for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments shall apply to the business merger with an acquisition date during the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments apply to property, plant and equipment that arrived at the location and achieved the condition required for their operating method expected by the management on or after January 1, 2021.

Note 4: The amendments apply to contracts with outstanding obligations on January 1, 2022.

As of the consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

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

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 in "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: Application of the amendments is deferred for the annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments apply to the changes in accounting estimates and changes in accounting policies that occurred during the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for the deferred income tax recognized from temporary difference of lease and exemption obligations on January 1, 2022, the amendment was applied to all transactions after January 1, 2022.

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

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

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

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

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

(III) Standards for the classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

(IV) Basis of consolidation

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

See Note 11 and Tables 6 and 7 for details on subsidiaries, shareholding, and scope of business.

(V) Foreign currencies

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

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

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

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

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

(VI) Inventories

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

(VII) Property, plant and equipment

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

Property, plant and equipment under construction are recognized at costs less accumulated impairment losses. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are classified into the appropriate categories of property, plant and equipment and depreciated when they are completed and ready for their intended use.

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

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

(VIII) Impairment of property, plant and equipment, and right-of-use assets

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

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit shall be increased to the revised recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(IX) Financial instruments

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

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

1. Financial assets

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

(1) Measurement categories

Financial assets held by the Group are classified into financial assets at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are measured at fair value, and its gain or loss arising from re-measurement are recognized in other gain and loss. Please refer to Note 25 for the methods to determine fair values.

B. Financial assets at amortized cost

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

a. Held under a certain business model, and the purpose of the model is holding such financial assets to collect the contractual cash flows; and

b. The contractual terms give rise to cash flows on specified dates that are solely used for payments of principal and interest on the principal amount outstanding.

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

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

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties or defaults, and the debtor is likely to claim bankruptcy or other financial restructurings, or disappearance of an active market for the financial asset due to financial difficulties.

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

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

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

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

(2) Impairment of financial assets

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

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

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

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

A. There is any internal or external information indicating that it is impossible for the debtor to settle the debt.

B. Where the account ages more than 365 days, unless there is any reasonable and authenticated information indicating that the deferred default basis is more appropriate.

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

(3) Derecognition of financial assets

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

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

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

3. Derivative instruments

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

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

(X) Treasury shares

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

(XI) Income recognition

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

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

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

(XII) Lease

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

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

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

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

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

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

(XIII) Government grants

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

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

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

(XIV) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of such assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

(XV) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

   Defined benefit costs (including service cost, net interest, and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expenses upon occurrence. Remeasurement, comprising actuarial gains or losses and the return on plan assets (net of interest), is recognized in other comprehensive income/(loss) upon occurrence, and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the appropriation deficit in the defined benefit plans.

(XVI) Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

   Deferred tax liabilities are generally recognized for all temporary taxable differences. Deferred tax assets are recognized for all temporary deductible differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those temporary deductible differences can be utilized.

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

   The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and increased to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3. Current and deferred income taxes

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

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

The Group has included the recent developments in our country and possible impact on the economic environment caused by COVID-19 into the considerations for significant accounting estimates, such as cash flow forecast, growth rate, discount rate, profitability, etc. The management will review the estimates and basic assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group had no critical accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2021.

Key sources of estimation uncertainty of the Group were inventory obsolescence losses for the year ended December 31, 2020, and the details are as follows:

The obsolescence status of inventories is evaluated according to their aging status, and the ratio for providing the impairment amount is estimated based on historical experiences, to serve as the basis for evaluating inventory obsolescence losses. Significant losses may occur when the actual inventory impairment in the future is higher than expected.

VI. Cash

	December 31, 2021	December 31, 2020
Cash on hand and working capital	$ 5,600	$ 4,737
Checks and demand deposits in banks	476,303	743,454
	$ 481,903	$ 748,191

VII. Financial instruments at fair value through profit or loss

	December 31, 2021
Financial assets - current	
Held-for-trading	
Derivatives (not designated for hedging)	
－Forward exchange contracts	$ 5,062
Financial liabilities - current	
Held-for-trading	
Derivatives (not designated for hedging)	
－Forward exchange contracts	$ 22

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

December 31, 2021	Currency	Maturity Date	Contractual amount (NT$ in thousands)
Purchase of forward exchange contracts	RMB:USD	2022.01.11～2022.06.28	RMB 103,809/USD 16,000

For the year ended December 31, 2021, the purpose of the Group's forward exchange transactions is mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations. However, it does not meet the conditions for effective hedging so hedging accounting is not applicable.

From January 1 to December 31, 2021, the valuation gain on financial assets and liabilities at fair value through profit or loss was NT$5,985 thousand, recorded under other gain and loss in the consolidated statement of comprehensive income.

VIII. Financial Assets at Fair Value through Other Comprehensive Income

	December 31, 2021	December 31, 2020
Current		
Domestic investments		
Shares of listed companies		
Far Eastern International Bank Co., Ltd. - ordinary shares	$ 81,526	$ 80,742
Non-current		
Domestic investments		
Unlisted shares		
Jin Lead Industrial Co., Ltd. - ordinary shares	$ 3,433	$ 3,433
Dah Chung Bills Finance Corp. - ordinary shares	15	15

	$ 3,448	$ 3,448

The Group invests in ordinary shares of Far Eastern International Bank Co., Ltd., Jin Lead Industrial Co., Ltd., and Dah Chung Bills Finance Corp. according to its strategic objectives and expects to earn profits from the strategic investments. The management of the Group elected to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the aforementioned strategic investment plan.

IX. Notes Receivable and Trade receivables (including those from Related Parties)

	December 31, 2021	December 31, 2020
Notes receivable		
Measured at amortized costs		
Gross carrying amount - occurred due to operations	$ 62,393	$ 4,026
Trade receivables		
Measured at amortized costs		
Gross carrying amount	$ 1,920,575	$ 1,360,201
Less: Allowance for losses	18,306	23,328
	$ 1,902,269	$ 1,336,873

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

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

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

As of December 31, 2021 and 2020, according to the analysis based on the number of days past due conducted by the Group, notes receivables are not overdue; therefore, no expected credit loss is provided for note receivables.

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

December 31, 2021

	90 days and below	91 - 180 days	181 days and above	Total
Rate of expected credit loss	0.02%～9.08%	0.09%～22.07%	2.48%～100%	
Gross carrying amount	$ 1,812,643	$ 53,364	$ 54,568	$ 1,920,575
Allowance for loss (lifetime expected credit loss)	(5,165)	(364)	(12,777)	(18,306)
Amortized costs	$ 1,807,478	$ 53,000	$ 41,791	$ 1,902,269

December 31, 2020

	90 days and below	91 - 180 days	181 days and above	Total
Rate of expected credit loss	0.07%～4.94%	1.02%～14.66%	3.69%～100%	
Gross carrying amount	$ 1,233,354	$ 92,497	$ 34,350	$ 1,360,201
Allowance for loss (lifetime expected credit loss)	(6,513)	(6,696)	(10,119)	(23,328)
Amortized costs	$ 1,226,841	$ 85,801	$ 24,231	$ 1,336,873

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

	2021	2020
Opening balance	$ 23,328	$ 30,032
Less: Reversed during the year	(3,307)	(950)
Less: Write-offs during the year	-	(5,226)
Differences of foreign currency translation	(1,715)	(528)
Closing balance	$ 18,306	$ 23,328

X. Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 3,472,823	$ 3,431,007
Work in progress	1,796,334	933,412
Raw materials	223,591	121,651
Supplies	228,395	170,474
	$ 5,721,143	$ 4,656,544

The cost of sales related to inventories for the years ended December 31, 2021 and 2020 was NT$8,088,528 thousand and NT$6,260,612 thousand, respectively. The cost of sales, including recovery gain on inventory valuation and obsolescence was NT$199,933 thousand and loss on inventory valuation and obsolescence was NT$517,347 thousand, respectively, for the years ended December 31, 2021 and 2020.

XI. Subsidiary

Subsidiaries included in the consolidated financial statements

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

Name of the investing company	Name of the subsidiary	Nature of business	Shareholding ratio (%) December 31, 2021	Shareholding ratio (%) December 31, 2020
The Company	Everest Investment (Holding) Ltd.	Holdings and international trade	100	100
	Everest International Develop Investment Co., Ltd.	General investment	100	100
	Everest Textile (HK) Co., Ltd.	International trade	99.3	99.3
Everest Investment （Holding） Limited	Everest Textile (Thailand) Co., Ltd.	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	100	100
	Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	100	100
Everest International Develop Investment Co., Ltd.	Everest International (HK) Limited	Investment and holdings	100	100
	Everest Apparel (HK) Limited	Investment and holdings	100	100
Everest International (HK) Limited	Everest USA Holdings, Inc.	Investment and holdings	100	100
Everest USA Holdings, Inc.	Everest Development USA, LLC.	Operating asset management	100	100
	Everest Textile USA, LLC.	Production and dyeing of yarn and woven fabrics	100	100
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Apparel production	100	100
	Everest Apparel (Haiti) S.A.	Apparel production	100	100

XII. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Construction in progress and equipment to be tested	Total
Costs								
Balance on January 1, 2020	$ 712,639	$ 2,118,474	$ 5,459,074	$ 75,434	$ 404,822	$ 1,061,330	$ 747,869	$ 10,579,642
Additions	-	28,726	321,481	9,491	75,592	498,500	(672,540)	261,250
Disposals	-	(9,935)	(129,675)	(4,257)	(18,473)	(20,398)	-	(182,738)
Net exchange difference	(4,681)	(36,127)	(108,990)	(1,945)	(10,247)	(67,504)	(9,385)	(238,879)
Balance on December 31, 2020	$ 707,958	$ 2,101,138	$ 5,541,890	$ 78,723	$ 451,694	$ 1,471,928	$ 65,944	$ 10,419,275
Accumulated depreciation								
Balance on January 1, 2020	$ -	$ 1,015,301	$ 2,546,714	$ 35,069	$ 204,658	$ 475,375	$ -	$ 4,277,117
Depreciation expenses	-	80,172	380,718	12,058	47,199	133,561	-	653,708
Disposals	-	(9,935)	(110,290)	(4,203)	(17,894)	(20,149)	-	(162,471)
Net exchange difference	-	(17,970)	(38,968)	(755)	(6,460)	(25,740)	-	(89,893)
Balance on December 31, 2020	$ -	$ 1,067,568	$ 2,778,174	$ 42,169	$ 227,503	$ 563,047	$ -	$ 4,678,461
Net balance on December 31, 2020	$ 707,958	$ 1,033,570	$ 2,763,716	$ 36,554	$ 224,191	$ 908,881	$ 65,944	$ 5,740,814
Costs								
Balance on January 1, 2021	$ 707,958	$ 2,101,138	$ 5,541,890	$ 78,723	$ 451,694	$ 1,471,928	$ 65,944	$ 10,419,275
Additions	-	103,966	280,065	4,763	34,727	100,189	(16,061)	507,649
Disposals	-	(14,339)	(167,748)	(1,448)	(26,117)	(12,012)	-	(221,664)
Reclassifications	-	-	-	-	(11,289)	-	-	(11,289)
Net exchange difference	(7,256)	(64,873)	(177,567)	(2,466)	(19,074)	(85,522)	(3,339)	(360,097)
Balance on December 31, 2021	$ 700,702	$ 2,125,892	$ 5,476,640	$ 79,572	$ 429,941	$ 1,474,583	$ 46,544	$ 10,333,874
Accumulated depreciation and impairment								
Balance on January 1, 2021	$ -	$ 1,067,568	$ 2,778,174	$ 42,169	$ 227,503	$ 563,047	$ -	$ 4,678,461
Depreciation expenses	-	80,312	356,602	11,805	48,925	150,789	-	648,433
Impairment loss recognized	-	-	6,119	-	-	-	-	6,119
Disposals	-	(14,339)	(158,670)	(1,447)	(26,117)	(12,012)	-	(212,585)
Reclassifications	-	-	-	-	(63)	-	-	(63)
Net exchange difference	-	(44,340)	(120,715)	(1,645)	(15,723)	(57,824)	-	(240,247)
Balance on December 31, 2021	$ -	$ 1,089,201	$ 2,861,510	$ 50,882	$ 234,525	$ 644,000	$ -	$ 4,880,118
Net balance on December 31, 2021	$ 700,702	$ 1,036,691	$ 2,615,130	$ 28,690	$ 195,416	$ 830,583	$ 46,544	$ 5,453,756

Everest Apparel (Haiti) S.A., a subsidiary, has shown signs of impairment in the assessed asset value due to continuous operating losses. For the year ended December 31, 2021, the Group determined the recoverable amount based on the asset valuation report issued by independent experts, and the recoverable amount of some property, plant and equipment is lower than its carrying amounts, so an impairment loss of NT$6,119 thousand is recognized. The valuation method of the asset valuation report issued by independent experts is based on the cost method, which belongs to the level 3 of fair value measurement.

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

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

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

XIII. Lease Agreements

(I) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of right-of-use assets		
Buildings	$ 480,752	$ 541,495
Transportation equipment	1,577	2,695
	$ 482,329	$ 544,190

	2021	2020
Addition of right-of-use assets	$ 52,177	$ 28,471
Depreciation expense of right-of-use assets		
Buildings	$ 100,696	$ 101,832
Transportation equipment	1,659	1,825
Furniture and fixtures	-	79
	$ 102,355	$ 103,736

(II) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilities		
Current	$ 95,016	$ 85,578
Non-current	$ 440,174	$ 506,670

The discount rate ranges for lease liabilities are as follows:

	December 31, 2021	December 31, 2020
Buildings	1.02%～4.12%	1.06%～4.12%
Transportation equipment	1.06%～1.16%	1.10%～3.77%
Furniture and fixtures	-	3.77%

(III) Major lease activities and terms

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

The Group also leases certain buildings to use as plants, office, and retail outlets, and the lease period is 1-3 years. At the end of the lease period, the Group has no right of first refusal for the leased building.

(IV) Other lease information

	2021	2020
Short-term lease expenses	$ 22,469	$ 15,266
Total cash outflows on lease	$ 130,672	$ 127,215

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

XIV. Other Assets

	December 31, 2021	December 31, 2020
Current		
Prepayments for goods	$ 63,785	$ 63,639
Prepaid expenses	29,502	26,376
Input tax	25,305	43,820
Refundable deposits	391	10,655
Others	15,664	31,128
	$ 134,647	$ 175,618
Non-current		
Prepayments for equipment	$ 62,625	$ 78,867
Refundable deposits	17,574	17,158
	$ 80,199	$ 96,025

XV. Borrowings

(I) Short-term borrowings

	December 31, 2021	December 31, 2020
Bank credit borrowings	$ 525,397	$ 1,031,336
Bank secured borrowings	2,336,426	1,334,915
Bank mortgage borrowings	149,164	276,447
	$ 3,010,987	$ 2,642,698

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

	December 31, 2021	December 31, 2020
Bank credit borrowings	0.62%～2.00%	0.83%～1.07%
Bank secured borrowings	1.15%～3.02%	1.18%～2.90%
Bank mortgage borrowings	2.03%	0.93%～2.04%

(II) Short-term bills payable

December 31, 2021

Promissory institution	Nominal amount	Discount amount	Carrying amount	Interest rate range (%)	Name of the collateral
Commercial paper payable					
China bills	$ 200,000	$ 49	$ 199,951	0.45	None
China bills	100,000	7	99,993	0.40	None
Grand bills	300,000	36	299,964	0.40	None
Ta Ching bills	200,000	55	199,945	0.50	None
International bills	100,000	68	99,932	0.51	None
	$ 900,000	$ 215	$ 899,785		

December 31, 2020

Promissory institution	Nominal amount	Discount amount	Carrying amount	Interest rate range (%)	Name of the collateral
Commercial paper payable					
Mega bills	$ 300,000	$ 142	$ 299,858	1.06	None
Ta Ching bills	150,000	34	149,966	1.07	None
Ta Ching bills	100,000	68	99,932	1.01	None
Ta Ching bills	200,000	58	199,942	0.55	None
China bills	300,000	196	299,804	1.05	None
Grand bills	300,000	86	299,914	1.06	None
Taiwan Cooperative bills	100,000	138	99,862	1.05	None
International bills	150,000	160	149,840	1.05	None
	$1,600,000	$ 882	$1,599,118		

(III) Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank credit borrowings	$ 1,000,000	$ 2,898,333
Secured borrowings		
Bank mortgage borrowings	547,500	557,500
	1,547,500	3,455,833
Less: Those mature within one year	830,000	697,500
	$ 717,500	$ 2,758,333

The abovementioned bank borrowings fall due one after another by September 2024. The interest rate per annum on December 31, 2021 and 2020 is both 0.95%-1.47%.

XVI. Notes Payable and Trade Payables

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

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

XVII. Other current liabilities

	December 31, 2021	December 31, 2020
Other payables		
Payable for salaries or bonuses	$ 190,238	$ 182,515
Payable for shipping expenses	30,916	28,622
Payable for utilities	29,833	28,076
Payable for labor and health insurance	20,380	21,977
Payable for purchases of equipment	17,376	33,690
Payable for pension	16,727	16,912
Payable for annual leave	16,663	14,945
Payable for commissions	12,615	20,234
Payable for processing expenses	9,249	9,235
Payable for employees' compensation	3,949	189
Others	121,536	93,447
	$ 469,482	$ 449,842
Other liabilities		
Receipts under custody	$ 9,619	9,665
Guarantee deposits	5,867	5,453
Temporary payment	9	12,399
Others	911	9,611
	$ 16,406	$ 37,128

XVIII. Retirement Benefit Plans

(I) Defined contribution plans

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

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

(II) Defined benefit plans

The pension system adopted by the Group in accordance with the "Labor Standards Act" is a defined benefit plan operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries for the six months before retirement. The Company contributes amounts equal to 4% of total monthly salaries to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Company has no right to affect the investment management policy and strategy.

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

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 410,581	$ 397,945
Fair value of plan assets	(333,962)	(322,430)
Net defined benefit liabilities	$ 76,619	$ 75,515

Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance on January 1, 2020	$ 402,576	($ 342,528)	$ 60,048
Service cost			
Current service cost	40,959	-	40,959
Interest expenses (income)	3,221	(2,920)	301
Recognized in profit or loss	44,180	(2,920)	41,260
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(11,313)	(11,313)
Actuarial losses - changes in demographic assumptions	2,351	-	2,351
Actuarial losses - changes in financial assumptions	11,753	-	11,753
Actuarial gains - experience adjustments	(3,183)	-	(3,183)
Recognized in other comprehensive income/(loss)	10,921	(11,313)	(392)
Contributions from the employer	-	(23,508)	(23,508)
Benefits paid	(59,732)	57,839	(1,893)
Balance on December 31, 2020	397,945	(322,430)	75,515
Service cost			
Current service cost	38,480	-	38,480
Interest expenses (income)	1,393	(1,170)	223
Recognized in profit or loss	39,873	(1,170)	38,703

(Continued)

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	$ -	($ 4,834)	($ 4,834)
Actuarial losses - changes in demographic assumptions	12,476	-	12,476
Actuarial gains - changes in financial assumptions	(10,152)	-	(10,152)
Actuarial losses - experience adjustments	650	-	650
Recognized in other comprehensive income/(loss)	2,974	(4,834)	(1,860)
Contributions from the employer	-	(35,739)	(35,739)
Benefits paid	(30,211)	30,211	-
Balance on December 31, 2021	$ 410,581	($ 333,962)	$ 76,619

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

	2021	2020
Operating costs	$ 30,566	$ 26,505
Selling and marketing expenses	1,356	4,693
General and administrative expenses	4,770	5,925
Research and development expenses	2,011	4,137
	$ 38,703	$ 41,260

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

1. Investment risk: The labor pension funds are invested in domestic and foreign equity and debt securities, bank deposits, and other targets. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor, or through its designated agencies. However, the rate of return on plan assets of the Group shall not be less than the interest rate on a two-year time deposit published by the local banks.

2. Interest rate risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, the debt investment returns on the plan assets would also increase accordingly, and both items have the effect of offsetting the effects of net defined benefit liabilities.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of plan participants will increase the present value of the defined benefit obligation.

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

	December 31, 2021	December 31, 2020
Discount rate	0.75%	0.35%
Expected growth rate of salary	1.00%	1.00%

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

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 6,497)	($ 6,676)
Decrease by 0.25%	$ 6,679	$ 6,873
Expected growth rate of salary		
Increase by 0.25%	$ 6,376	$ 6,538
Decrease by 0.25%	($ 6,232)	($ 6,382)

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

	December 31, 2021	December 31, 2020
Expected contributions to the plan within one year	$ 35,739	$ 23,508
Average duration of the defined benefit obligation	7 years	7 years

XIX. Equity

(I) Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	800,000	560,000
Share capital authorized	$ 8,000,000	$ 5,600,000
Number of shares issued and paid-up (in thousands)	694,643	509,834
Share capital issued	$ 6,946,434	$ 5,098,341

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

On May 4, 2021, the general meeting of shareholders of the Company passed the resolution to reduce capital in order to make up for the loss of NT$1,151,907 thousand. The public offering of 115,191 thousand ordinary shares was eliminated, and the paid-in capital after the capital reduction was NT$3,946,434 thousand.

On June 1, 2021, the Board of Directors of the Company resolved to issue 300,000 thousand of new shares through cash capital increase with the face value of each share, NT$10, which was issued at NT$10 per share. The paid-in capital after the capital increase was NT$6,946,434 thousand. Those reserved for employees to subscribe had been recognized as salary expense of NT$24,709 thousand based on the fair value of stock options, and, meanwhile, the issue cost of NT$8,410 thousand has been deducted, recorded as capital surplus - stock issuance premium. The above-mentioned cash capital increase had been approved and declared by the Financial Regulatory Commission with the capital increase base date of September 15, 2021.

(II) Capital surplus

	December 31, 2021	December 31, 2020
May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital		
Premium on issuance of shares	$ 16,299	$ -
Treasury share transactions (Note)	99,644	99,644
	$ 115,943	$ 99,644

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

(III) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made profits in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any unappropriated earnings from the previous year shall be used as earnings available for appropriation. Such earnings shall be distributed as shareholders' dividends equally based on the number of all shares, provided that a portion of such earning may be retained in accordance with the business conditions. However, in case of capital increases, the incremental shares shall be appropriated in accordance with the respective resolution made in the shareholders' meetings. For the Company's policies on the distribution of employees' compensation and remuneration of directors, refer to Note 21(8) "Employees' compensation and remuneration of directors and supervisors."

The Company appropriates dividends according to a stable dividend distribution while taking into account the features of economic changes regarding its business, the effects of products or services, in terms of their lifecycle, and taxation on its future cash demands. Except for capital demands such as improving the financial structure and providing for the reinvestment, expansion of production capacity, or other significant capital expenditure, the distribution of dividends shall be no less than 50% of the balances equal to the net profit after income tax for the year less amounts offsetting deficits, legal reserve, and special reserve. The cash dividends shall be no less than10% of the current shareholders' bonuses for the year.

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

The Company's appropriations of deficit for 2020 and 2019 were approved at the shareholders' meetings on May 4, 2021 and June 15, 2020, respectively.

The Company's resolution on earnings distribution for 2021 approved by the Board of Directors on March 3, 2022 is as follows:

	2021
Legal reserve provided	$ 18,336
Special reserve provided	$ 165,023

The appropriation of earnings for 2021 is subject to resolution at the shareholders' meeting to be held on June 16, 2022.

(IV) Treasury shares

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

				At the end of the year		
Purpose of buy-back	Number of shares at the beginning of the year	Increase during the year	Decrease during the year	Number of shares	Carrying amount	Market price
For the year ended December 31, 2021						
Shares of the Company held by subsidiaries as a deduction to equity	26,067	-	5,889	20,178	$332,836	$194,310
For the year ended December 31, 2020						
Shares of the Company held by subsidiaries as a deduction to equity	26,067	-	-	26,067	$332,836	$256,761

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

XX. Revenue

	2021	2020
Revenue from the sales of goods	$ 10,003,250	$ 7,343,824
Service revenue	3,483	54
	$ 10,006,733	$ 7,343,877

(I) Explanation of the customer contract

1. Revenue from the sales of goods

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

2. Service revenue

   Regarding the dyeing and finishing manufacturing process and processing for the Textile Department, the transaction price shall be agreed and determined under the contract with reference to prior contracts with similar conditions.

(II) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$ 62,393	$ 4,026	$ 9,330
Trade receivables	$ 1,902,269	$ 1,336,873	$ 1,129,351
Contract liabilities – current			
Sales of goods	$ 53,593	$ 55,190	$ 18,551

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

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

	2021	2020
Contract liabilities at the beginning of the year		
Sales of goods	$ 55,190	$ 18,551

(III) Disaggregation of revenue from customer contracts

Please refer to Note 32 for the information on disaggregation of revenue.

XXI. Net profit (loss) before income tax

(I) Other operating income and expenses

	2021	2020
Impairment loss of property, plant and equipment	($ 6,119)	$ -
Gain (loss) on disposals of property, plant and equipment	(5,818)	573
	($ 11,937)	$ 573

(II) Interest income

	2021	2020
Bank deposits	$ 7,393	$ 962
Others	34	45
	$ 7,427	$ 1,007

(III) Other income

	2021	2020
Grants	$ 25,637	$ 75,341
Dividend income	2,427	3,917
Others	59,326	42,214
	$ 87,390	$ 121,472

(IV) Other gains and losses

	2021	2020
Gains on foreign currency exchange	$ 259,054	$ 137,684
Losses on foreign currency exchange	(342,174)	(243,648)
Gains on financial assets at fair value through profit or loss	5,985	-
Others	729	4,480
	($ 76,406)	($ 101,484)

(V) Interest expenses

	2021	2020
Interests on bank borrowings	$ 85,059	$ 90,857
Interest on lease liabilities	9,526	11,120
Less: Amounts included in the cost of required assets	929	554
	$ 93,656	$ 101,423

Information related to interest capitalization is as follows:

	2021	2020
Amount of interest capitalization	$ 929	$ 554
Interest rate on interest capitalization	1.02%～1.15%	1.08%～1.27%

(VI) Depreciation expenses

	2021	2020
An analysis of depreciation by function		
Operating costs	$ 662,137	$ 668,929
Operating expenses	88,651	88,515
	$ 750,788	$ 757,444

(VII) Employee benefits expenses

	2021	2020
Short-term employee benefits		
Salaries	$ 1,729,892	$ 1,634,899
Labor and health insurance	156,243	140,583
Others	138,751	138,009
	2,024,886	1,913,491
Retirement benefits		
Defined contribution plans	77,397	51,402
Defined benefit plans (Note 18)	38,703	41,260
	116,100	92,662
	$ 2,140,986	$ 2,006,153
By function		
Operating costs	$ 1,551,736	$ 1,393,950
Operating expenses	589,250	612,203
	$ 2,140,986	$ 2,006,153

(VIII) Employees' compensation and remuneration of directors and supervisors

The Company appropriates employees' compensation and remuneration of directors at the rates of 2% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors for the year according to its Articles. The Company recorded a net loss before income tax in 2020; therefore, no employees' compensation or remuneration of directors is appropriated.

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

Estimated ratio

	2021
Employees' compensation	2.0%
Remuneration of directors	-

Amount

	2021
Employees' compensation	$ 3,760
Remuneration of directors	$ -

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimates, which shall be adjusted and accounted for in the following year.

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

XXII. Income tax

(I) Major components of tax expense recognized in profit or loss

	2021	2020
Current income tax		
Incurred during the year	$ 107,948	$ 4,341
Adjustments to prior years	2,005	8,358
	109,953	12,699
Deferred income tax		
Incurred during the year	(2,336)	(7,972)
	$ 107,617	$ 4,727

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

	2021	2020
Net profit (loss) before income tax	$ 289,488	($ 932,262)
Income tax expenses (gains) calculated based on the net profit (loss) before income tax at the statutory rate	$ 118,461	($ 148,313)
Non-deductible expenses in determining taxable income	1,564	926
Unrecognized loss carryforwards	8,350	59,789
Tax-exempt income	(485)	(783)
Withholding tax incurred for overseas income	2,337	3,779
Unrecognized (recognized) temporary differences	(24,615)	94,364
Grants	-	(13,393)
Adjustments to current income tax expenses for previous years during the year	2,005	8,358
	$ 107,617	$ 4,727

(II) Income tax recognized in other comprehensive income/(loss)

	2021	2020
Deferred income tax		
Incurred during the year		
Remeasurement on defined benefit plans	($ 371)	($ 79)

(III) Current tax assets and liabilities

	December 31, 2021	December 31, 2020
Current tax assets		
Tax refund receivable	$ 6,186	$ 11,359
Current tax liabilities		
Income tax payable	$ 67,076	$ 7,929

(IV) Deferred tax assets and liabilities

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

2021

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income /(loss)	Exchange differences	Closing balance
Temporary differences					
Unrealized exchange losses	$ 10,295	($ 10,295)	$ -	$ -	$ -
Allowance for sales discount	1,431	-	-	-	1,431
Unrealized gains	7,298	(413)	-	-	6,885
Defined benefit retirement plan	15,103	592	(371)	-	15,324
Payable for annual leave	2,989	344	-	-	3,333
Loss on allowance for doubtful debts	994	-	-	(6)	988
Loss on inventory valuation	90,736	(14,815)	-	(175)	75,746
	128,846	(24,587)	(371)	(181)	103,707
Loss carryforwards	5,781	27,651	-	(162)	33,270
	$ 134,627	$ 3,064	($ 371)	($ 343)	$ 136,977

Deferred tax liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income /(loss)	Exchange differences	Closing balance
Temporary differences					
Reserve for land value increment tax	$ 169,777	$ -	$ -	$ -	$ 169,777
Unrealized exchange gains	-	728	-	-	728
	$ 169,777	$ 728	$ -	$ -	$ 170,505

2020

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income /(loss)	Exchange differences	Closing balance
Temporary differences					
Unrealized exchange losses	$ 5,187	$ 5,108	$ -	$ -	$ 10,295
Allowance for sales discount	1,431	-	-	-	1,431
Unrealized gains	6,412	886	-	-	7,298
Defined benefit retirement plan	12,009	3,173	(79)	-	15,103
Payable for annual leave	3,280	(291)	-	-	2,989
Loss on allowance for doubtful debts	2,334	(1,371)	-	31	994
Loss on inventory valuation	89,769	467	-	500	90,736
	120,422	7,972	(79)	531	128,846
Loss carryforwards	6,086	-	-	(305)	5,781
	$ 126,508	$ 7,972	($ 79)	$ 226	$ 134,627

Deferred tax liabilities					
Temporary differences					
Reserve for land value increment tax	$ 169,777	$ -	$ -	$ -	$ 169,777

(V) Deductible temporary differences and unused loss carryforwards which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2021	December 31, 2020
Deductible temporary differences	$ 358,745	$ 481,818
Loss carryforwards		
Expire in 2029	$ 8,575	$ 11,910
Expire in 2030	219,404	316,725
Expire in 2031	130,488	-
Expire in 2032	23,500	24,032
	$ 381,967	$ 352,667

(VI) Relevant information of unused investment tax credit, loss carryforward and tax-exempt

As of December 31, 2021, information on loss carryforward is as follows:

Balance not deducted yet	Last year of deduction
$ 11,910	2029
304,728	2030
180,084	2031
23,500	2032
$ 520,222	

(VII) The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2021 and 2020, taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were NT$1,397,173 thousand and NT$1,099,573 thousand, respectively.

(VIII) Income tax assessments

The Company and its subsidiary Everest International Develop Investment Co., Ltd.'s income tax returns through 2018 have been assessed by the tax authorities.

XXIII. Earnings (net loss) per share

When calculating the net loss per share, the effect of capital reduction to make up for the loss has been adjusted retrospectively, and the changes in net loss per share for the year ended December 31, 2020 are as follows:

	Before retrospective adjustment	After retrospective adjustment
Basic and diluted net loss per share	($ 1.94)	($ 2.50)

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

Net profit (loss) for the year

	2021	2020
Net profit (loss) attributable to owners of the Company	$ 181,871	($ 936,987)

Number of shares

Unit: thousand shares

	2021	2020
Basic earnings (net loss) per share		
Number of issued ordinary shares at the beginning of the year	394,643	509,834
Add: the weighted average number of shares due to capital increase	87,945	-
Less: Retrospective adjustment due to capital reduction to make up for the loss	-	115,191
The weighted average number of treasury shares regarding the Company's shares held by subsidiaries	20,178	20,178
The weighted average number of ordinary shares used in the calculation of basic earnings (net loss) per share	462,410	374,465
Impacts of potential ordinary shares with dilution effect:		
Employees' compensation	390	-
The weighted average number of ordinary shares used in the calculation of diluted earnings (net loss) per share	462,800	374,465

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

XXIV. Capital management

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

XXV. Financial instruments

(I) Fair value information - Fair value of financial instruments not measured at fair value

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

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

1. Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
- Shares of domestic listed companies	$ 81,526	$ -	$ -	$ 81,526
- Shares of domestic unlisted companies	-	-	3,448	3,448
	$ 81,526	$ -	$ 3,448	$ 84,974
Financial assets at fair value through profit or loss				
Derivative instruments – forward exchange contract	$ -	$ 5,062	$ -	$ 5,062
Financial liabilities at fair value through profit or loss				
Derivative instruments – forward exchange contract	$ -	$ 22	$ -	$ 22

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
- Shares of domestic listed companies	$ 80,742	$ -	$ -	$ 80,742
- Shares of domestic unlisted companies	-	-	3,448	3,448
	$ 80,742	$ -	$ 3,448	$ 84,190

There were no transfers between Level 1 and 2 during the years ended December 31, 2021 and 2020.

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

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

3. Reconciliation of Level 3 fair value measurement of financial instruments

	Equity instruments	
Financial assets at fair value through other comprehensive income	2021	2020
Opening balance	$ 3,448	$ 6,960
Capital reduction	-	(3,512)
Closing balance	$ 3,448	$ 3,448

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

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

(III) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost (Note 1)	$ 2,520,444	$ 2,149,542
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	5,062	-
Financial assets at fair value through other comprehensive income (current and non-current)		
Investments in equity instruments	84,974	84,190
Financial liabilities		
Measure at amortized costs (Note 2)	$ 6,869,727	$ 8,818,441
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	22	-

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

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

(IV) Financial risk management objectives and policies

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

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

1. Market risk

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

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

(1) Foreign currency risk

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

The carrying amounts of monetary assets and monetary liabilities （including monetary items not denominated in the functional currency being written-off in the consolidated financial statements） not denominated in the functional currency of the Group at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the fluctuation of the United States dollar (USD) and Thai Baht (THB). In addition, certain subsidiaries (whose functional currency is not NT$) are affected by the fluctuation in NTD.

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

	USD impact	
	2021	2020
Profit or loss	$ 9,917	$ 16,479

	THB impact	
	2021	2020
Profit or loss	$ 375	$ 1,076

	ETB impact	
	2021	2020
Profit or loss	$ 1,867	$ 1,387

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

(2) Interest rate risk

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

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

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
Financial liabilities	$ 2,952,579	$ 3,571,778
With cash flow interest rate risk		
Financial assets	270,167	226,053
Financial liabilities	3,040,883	4,718,119

Sensitivity analysis

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

If interest rates had been 1% higher and all other variables were held constant, the Group’s net profit (losses) before income tax for the years ended December 31, 2021 and 2020 would have decreased (increased)/inceased (decreased) by NT$27,707 thousand and NT$44,921 thousand, respectively, which primarily relates to the Group's floating rate borrowings.

(3) Other price risks

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

Sensitivity analysis

The sensitivity analysis below was conducted based on the Group’s exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, other comprehensive income/(loss) before income tax for the years ended December 31, 2021 and 2020 would have increased/decreased by NT$850 thousand and NT$842 thousand, respectively, as a result of the changes in the fair values of financial assets at fair value through other comprehensive income.

2. Credit risk

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

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

3. Liquidity risk

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

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

(1) Liquidity and interest rate risk table for derivative financial liabilities

The analysis of remaining contractual maturity for the Group's non-derivative financial liabilities was drawn up based on the undiscounted cash flows of financial liabilities (including principals and estimated interests) from the earliest date on which the Group can be required to make the repayment. Specifically, the Group's bank borrowings with repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights immediately. The analysis of maturity dates for other non-derivative financial liabilities is based on the agreed repayment dates. The amount of undiscounted interests relating to cash flow paid from floating rate payments is extrapolated based on the interest rate yield curve at the end of the reporting period.

December 31, 2021

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1-5 years	5 years and above
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 781,017	$ 551,330	$ 78,388	$ 720	$ -
Lease liabilities	10,845	16,329	75,806	296,251	162,553
Floating rate instruments	417,171	643,692	1,272,083	740,249	-
Fixed rate instruments	1,081,421	100,155	1,237,296	-	-
	$ 2,290,454	$ 1,311,506	$ 2,663,573	$ 1,037,220	$ 162,553

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 102,980	$ 296,251	$ 155,245	$ 7,308

December 31, 2020

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1-5 years	5 years and above
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 556,940	$ 510,974	$ 52,157	$ 721	$ -
Lease liabilities	9,291	15,143	71,718	300,765	234,083
Floating rate instruments	96,128	674,966	1,197,966	2,850,142	-
Fixed rate instruments	2,193,200	650,686	138,755	-	-
	$ 2,855,559	$ 1,851,769	$ 1,460,596	$ 3,151,628	$ 234,083

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 96,152	$ 300,765	$ 195,550	$ 38,533

(2) Liquidity and interest rate risk table for derivative financial assets and liabilities

Liquidity analysis for derivative financial instruments, for gross-settled derivatives, is prepared on the basis of gross undiscounted cash inflows and outflows.

December 31, 2021

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 years and above
Total amount of delivery					
Forward exchange contracts					
－Inflow	$ 2,153	$ 2,049	$ 860	$ -	$ -
－Outflow	-	-	(22)	-	-
	$ 2,153	$ 2,049	$ 838	$ -	$ -

XXVI. Related Party Transactions

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

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

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

(II) Sales of goods

Category of related party	2021	2020
Other related parties	$ 5,483	$ 2,276
Investors with significant influence over the Company	260	54
	$ 5,743	$ 2,330

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

(III) Purchases

Category of related party	2021	2020
Investors with significant influence over the Company	$ 254,982	$ 173,765
Other related parties	433,499	281,348
	$ 688,481	$ 455,113

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

(IV) Receivables from related parties

Line item	Category of related party	December 31, 2021	December 31, 2020
Notes receivable	Other related parties	$ -	$ 894
Trade receivables	Other related parties	$ 1,831	$ 646
Other receivables	Other related parties	$ 33	$ 22

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no allowance for losses was provided for receivables from related parties.

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

Line item	Category of related party	December 31, 2021	December 31, 2020
Notes payable to related parties	Investors with significant influence over the Company		
	Far Eastern New Century Corporation (FENC)	$ 19,337	$ 10,487
Trade payables to related parties	Investors with significant influence over the Company	$ 1,382	$ 5,359
	Other related parties	51,959	27,624
		$ 53,341	$ 32,983
Other payables to related parties	Investors with significant influence over the Company	$ 1	$ 13
	Other related parties		
	Everest Shanghai	-	50,486
	Others	52,715	729
		$ 52,716	$ 51,228

The outstanding payables to related parties are not guaranteed

(VI) Lease agreements

Line item	Category/name of related party	December 31, 2021	December 31, 2020
Lease liabilities	Other related parties		
	Far Eastern Investment (Holding) Ltd.	$ 105,283	$ 130,005

Category of related party	2021	2020
Interest expenses		
Other related parties	$ 4,700	$ 5,599

(VII) Borrowings from related parties

Category/name of related party	December 31, 2021	December 31, 2020
Other related parties (included in short-term and long-term borrowings)		
FEIB	$ 496,146	$ 344,391

Interest expenses

Category/name of related party	2021	2020
Other related parties		
FEIB	$ 3,153	$ 2,294

The interest rates of the Group's borrowings from related parties are similar to the market interest rates for the years ended December 31, 2021 and 2020. In addition, to apply for a credit line, the Group provided land, buildings and machinery equipments as collateral to FEIB for financing. The carrying amounts of the related assets were NT$1,284,240 thousand and NT$429,970 thousand as of December 31, 2021 and 2020, respectively.

(VIII) Other transactions with related parties

1. Processing expenses

The Group has entrusted other related parties, Jin Lead Industrial Co., Ltd., with processing services. The processing expenses were NT$43,863 thousand and NT$16,094 thousand for the years ended December 31, 2021 and 2020, respectively. These processing expenses are based on general trading prices, and the payment terms range from 1 to 2 months, equivalent to that of processing suppliers.

2. Energy expenses

Category/name of related party	2021	2020
Other related parties		
Everest Shanghai	$ 244,060	$ 191,767
Others	781	1,525
	$ 244,841	$ 193,292

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

(IX) Compensation of key management personnel

	2021	2020
Short-term employee benefits	$ 25,645	$ 27,222
Retirement benefits	2,314	2,188
	$ 27,959	$ 29,410

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

XXVII. Pledged Assets

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

	December 31, 2021	December 31, 2020
Land	$ 509,679	$ 615,670
Buildings	269,534	315,756
Machinery and equipment	766,124	2,125
	$ 1,545,337	$ 933,551

XXVIII. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

Significant commitments

(I) The subsidiary in Everest Thailand has applied to the electric power company for the right to use electricity. The guarantees provided by the entrusted bank were NT$6,322 thousand and NT$7,237 thousand (translated into THB7,573 on December 31, 2021 and 2020) as of December 31, 2021 and 2020, respectively.

(II) As of December 31, 2021 and 2020, the Group’s unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT$32,812 thousand and NT$27,734 thousand, respectively.

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

	December 31, 2021	December 31, 2020
Acquisition of property, plant and equipment	$ 72,005	$ 14,705

XXIX. Significant Events after the Period

On March 15, 2022, a fire broke out in the warehouse of the Group's Tainan factory, causing damage to some buildings and inventories while no impact on the production line. The Group has taken out full insurance, and the application for claims is being processed with the insurance company. The amount of damage and insurance claims cannot be reasonably estimated as of March 28, 2022 (the date of the independent auditors' report).

XXX. Other Matters

Under the effect of COVID-19’s global outbreak, the Group recorded a significant year-on-year decrease in its operating revenue for the year ended December 31, 2020. The Group applied for salary and working capital subsidies from the government and had received grants that amounted to NT$66,965 thousand (Note 21). As of the approval date for the issuance of the consolidated financial statements, the Group continues assessing the economic effects arising from the outbreak on the Group.

XXXI. Significant Assets and Liabilities Denominated in Foreign Currencies

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

Unit: foreign currencies and NT$ in thousand

December 31, 2021

Financial assets	Foreign currencies	Exchange rate	Carrying amount
Monetary items			
USD	$ 31,813	27.68 (USD:NTD)	$ 880,583
USD	24,871	33.162 (USD:THB)	688,421
USD	24,730	6.367 (USD:RMB)	684,523
THB	44,983	0.8347 (THB:NTD)	37,548
ETB	335,143	49.686 (ETB:USD)	186,709
Financial liabilities			
Monetary items			
USD	28,643	27.68 (USD:NTD)	792,849
USD	15,264	33.162 (USD:THB)	422,520
USD	1,678	6.367 (USD:RMB)	46,460

December 31, 2020

Financial assets	Foreign currencies	Exchange rate	Carrying amount
Monetary items			
USD	$ 54,431	28.48 (USD:NTD)	$ 1,550,182
USD	17,928	29.803 (USD:THB)	510,594
USD	12,702	6.5249 (USD:RMB)	361,760
THB	112,628	0.9556 (THB:NTD)	107,627
ETB	192,779	39.573 (ETB:USD)	138,741
Financial liabilities			
Monetary items			
USD	21,902	28.48 (USD:NTD)	623,759
USD	3,687	29.803 (USD:THB)	104,993
USD	1,612	6.5249 (USD:RMB)	45,919

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

	2021		2020	
Functional currency	Functional currency translated into presentation currency	Net exchange (losses) gains	Functional currency translated into presentation currency	Net exchange (losses) gains
USD	28.0088 (USD:NTD)	($ 67,155)	29.5493 (USD:NTD)	($ 2,180)
NTD	1 (NTD:NTD)	(17,645)	1 (NTD:NTD)	(78,558)
RMB	4.3416 (RMB:NTD)	(12,316)	4.2827 (RMB:NTD)	(20,558)
THB	0.8823 (THB:NTD)	13,985	0.9496 (THB:NTD)	(4,674)
HKD	3.6033 (HKD:NTD)	11	3.8094 (HKD:NTD)	6
		($ 83,120)		($ 105,964)

XXXII. Supplementary Disclosures

(I) Information on Significant Transactions:

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

(II) Information on Invested Companies. (Note 6)

(III) Information on Investments in Mainland China:

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

percentage of the related payables.

(2) Sales amount and percentage, and the closing balance and percentage of the related receivables.

(3) Property transaction amount and the resulting gain or loss.

(4) Closing balances and purposes of endorsements and guarantees or collateral provided.

(5) The maximum balance, closing balance, interest rate range, and total amount of current interest of financing facilities.

(6) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.

(IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Table 10)

XXXIII. Segment Information

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

Textile segment - textile production

Investment segment - general investment

(I) Segment revenue and operating results

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

	Textile segment	Investment segment	Total
2021			
Segment revenue - from external customers	$ 10,006,733	$ -	$ 10,006,733
Segment profits (losses)	$ 365,161	($ 428)	$ 364,733
Interest income			7,427
Net loss on foreign currency exchange			(83,120)
Interest expenses			(93,656)
Other non-operating income - net			94,104
Net profit before income tax			$ 289,488
2020			
Segment revenue - from external customers	$ 7,343,877	$ -	$ 7,343,877
Segment losses	($ 851,095)	($ 739)	($ 851,834)
Interest income			1,007
Net loss on foreign currency exchange			(105,964)
Interest expenses			(101,423)
Other non-operating income - net			125,952
Net loss before income tax			($ 932,262)

The revenue of reportable segments set out above were generated from transactions with external customers; there were no intra-segment sales for the years ended December 31, 2021 and 2020.

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

(II) Segment total assets

Segment assets	December 31, 2021	December 31, 2020
Textile segment	$ 14,599,815	$ 13,551,069
Investment segment	7,937	14,027
Consolidated total assets	$ 14,607,752	$ 13,565,096

(III) Revenue from major products

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

	2021	2020
Finished fabric	$ 8,628,242	$ 6,196,798
Processed silk	782,503	374,210
Others	595,988	772,869
	$ 10,006,733	$ 7,343,877

(IV) Geographical information

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

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

	Revenue from external customers	
	2021	2020
Taiwan	$ 5,754,958	$ 3,987,732
China	2,891,861	1,981,934
Thailand	1,079,117	665,111
The U.S.	161,874	331,651
Ethiopia	115,958	377,449
Haiti	2,965	-
	$ 10,006,733	$ 7,343,877

	Non-current assets	
	December 31, 2021	December 31, 2020
Taiwan	$ 3,875,325	$ 3,850,780
China	446,825	480,563
Thailand	385,028	446,121
The U.S.	860,340	1,103,078
Ethiopia	250,907	232,340
Others	180,285	250,989
	$ 5,998,710	$ 6,363,871

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

(V) Information on major customers

There was no single customer contributing 10% or more to the Group's revenue for the years ended December 31, 2021 and 2020.

Everest Textile Co., Ltd. and Subsidiaries

Loaning to Others

For the year ended December 31, 2021

Table 1

Unit: NT$ Thousands

Code	Financing company	Borrower	Current account	Whether the borrower is a related party	Maximum balance for the period	Closing balance	Actual amount utilized	Interest rate range (%)	Nature of financing (Note 3)	Transaction amount	Reason for the short-term financing	Allowance for doubtful debts provided	Collateral		Credit limit for the individual borrower	Total credit limit for loans
													Name	Value		
1	Everest International (HK) Limited	Everest International Develop Investment Co., Ltd.	Other receivables from related parties	Yes	$ 96,880	$ 96,880	$ 89,960	1.24～1.61	2.	$ -	Working capital	$ -	None	$ -	$ 1,363,369 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	276,800	276,800	143,936	1.24～1.32	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	
		Everest Apparel (HK) Limited	Other receivables from related parties	Yes	95,219	95,219	95,219	1.24～1.61	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	574,711	468,129	468,129	1.24～1.61	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	
					$ 1,043,610	$ 937,028	$ 797,244									$ 2,726,738 (Note 2)
2	Hongzhan Textile (Shanghai) Ltd.	Everest International (HK) Limited	Other receivables from related parties	Yes	$ 359,840	$ 359,840	$ 359,840	0.19～0.21	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	2,726,738 (Note 2)
3	Everest Textile USA, LLC.	Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	$ 304,480	$ 296,176	$ 296,176	1.92～2.2	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	
		Everest Development USA, LLC.	Other receivables from related parties	Yes	117,640	117,640	117,640	1.92～2.2	2.	-	Working capital	-	None	-	1,363,369 (Note 1)	2,726,738 (Note 2)
					$ 422,120	$ 413,816	$ 413,816									

Note 1: Based on 20% of the equity attributable to owners of the Company.

Note 2: Based on 40% of the equity attributable to owners of the Company.

Note 3: Nature of the loan:

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

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

Everest Textile Co., Ltd. and Subsidiaries

Endorsement and Guarantee Provided for Others

For the year ended December 31, 2021

Table 2

Unit: NT$ Thousands

Code	Name of the endorsement and guarantee provider	Parties being endorsed and guaranteed		Limit of endorsement and guarantee for a single entity (Note 1)	Maximum balance of endorsement and guarantee for the period	Closing balance of endorsement and guarantee	Actual amount utilized	Amount of endorsement and guarantee secured with collateral	Ratio of cumulative endorsement and guarantee to the net value stated in the latest financial statements (%)	Cap of endorsement and guarantee (Note 2)	Endorsement and guarantee provided by the parent for subsidiary	Endorsement and guarantee provided by the subsidiary for parent	Endorsement and guarantee provided for entities in Mainland China
		Name of the company	Relationship										
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary - 100% shareholding	$ 5,112,633	$ 1,051,840	$ 138,400	$ 19,376	$ -	2.03		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	〃	5,112,633	276,800	276,800	163,312	-	4.06		Y	N	N
		Everest Textile USA, LLC.	〃	5,112,633	2,117,520	2,117,520	1,444,662	-	31.06		Y	N	N
		Everest International Develop Investment Co., Ltd.	〃	5,112,633	667,000	667,000	240,000	-	9.78		Y	N	N
		Everest International (HK) Limited	〃	5,112,633	719,680	719,680	470,560	-	10.56		Y	N	N
					$ 4,832,840	$ 3,919,400	$ 2,337,910		57.49	$ 10,225,266			

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

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

Everest Textile Co., Ltd. and Subsidiaries

Details of Securities Held at the End of the Period

December 31, 2021

Table 3

Unit: NT$ Thousands

Company held	Category and name of securities	Relationship with the issuer of securities	Accounting item	End of the period				Remarks
				Unit/number of shares	Carrying amount	Ratio (%)	Market value/net equity value	
The Company	Far Eastern International Bank - shares of a listed company	The Vice-Chairman is a second degree relative of the Chairman of the Company	Financial assets at fair value through other comprehensive income - current	7,583,800	$ 81,526	-	$ 81,526	
	Jin Lead Industrial Co., Ltd. - shares of an unlisted company	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	526,800	$ 3,433	19	$ 3,433	
	Dah Chung Bills Finance Corp. - shares of a listed company	None	〃	1,204	15	-	15	
					$ 3,448		$ 3,448	
Everest International Develop Investment Co., Ltd.	Everest Textile - shares of a listed company	Parent company	Financial assets at fair value through other comprehensive income - non-current	20,177,533	$ 194,310	2.9	$ 194,310	

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

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

Everest Textile Co., Ltd. and Subsidiaries

Purchases and Sales with Related Parties with an Amount Achieving NT$100,000 Thousand or Reaching 20% of its Paid-in Capital and Above

For the year ended December 31, 2021

Table 4

Unit: NT$ Thousands

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction conditions differ from general transactions		Notes and trade receivables (payables)		Remarks
			Purchase (sales) of goods	Amount	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance	Ratio to total receivables (payables) (%)	
The Company	Everest Textile (Thailand) Co., Ltd.	Subsidiary	Outsourced processing	$ 561,124	65	Settle every 1 month	No comparable goods under the same category	—	($ 68,446)	(9)	
		Subsidiary	Sales	(297,419)	(5)	Settle every 6 months	Equivalent	Equivalent	-	-	
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchases	254,982	8	Settle every 1 to 2 months, except for advance payments made for partial yarn products	Equivalent	Equivalent	(20,719)	(3)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method	Purchases	326,715	10	Settle every 1 month	Equivalent	Equivalent	(33,355)	(4)	
	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(348,411)	(5)	Settle every 6 months	Equivalent	Equivalent	42,377	4	
	Everest Textile USA, LLC.	Subsidiary	Purchases	344,475	10	Settle every 6 month	Equivalent	Equivalent	(135,177)	(18)	
		Subsidiary	Sales	(141,733)	(2)	Settle every 6 months	Equivalent	Equivalent	31,446	3	
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(1,336,841)	(46)	Settle every 2 to 4 months	Equivalent	Equivalent	121,028	21	
Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	Fellow subsidiary	Sales	(211,705)	(31)	Settle every 6 months	Equivalent	Equivalent	93,653	39	

Everest Textile Co., Ltd. and Subsidiaries

Receivables from Related Parties Achieving NT$100,000 Thousand or Reaching 20% of Its Paid-in Capital and Above

December 31, 2021

Table 5

Unit: NT$ Thousands

Company with book receivables	Counterparty	Relationship	Balance of receivables from the related party	Turnover rate	Overdue receivables from related parties		Amount recovered from related parties after expiry	Allowance for losses provided
					Amount	Method of disposal		
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	$ 121,028	9.05	$ -	—	$ 121,028	$ -
Everest Textile USA, LLC.	Everest International (HK) Limited	Fellow subsidiary	360,422	Note	-	—	-	-
	Everest Apparel (Haiti) S.A.	Fellow subsidiary	311,899	Note	-	—	-	-
	The Company	Parent company	135,177	3.6	-	—	51,947	-
	Everest Development USA, LLC.	Fellow subsidiary	119,018	Note	-	—	-	-
Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	473,625	Note	-	—	-	-
	Everest Apparel (Haiti) S.A.	Fellow subsidiary	144,102	Note	-	—	-	-
Everest Textile (Thailand) Co., Ltd.	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	187,913	0.12	-	—	-	-

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

Everest Textile Co., Ltd. and Subsidiaries

Information on Invested Companies

For the year ended December 31, 2021

Table 6

Unit: NT$ Thousands

Name of the investing company	Name of the investee Companies	Location	Principal business activities	Initial investment amount		Held at the end of the period			Current (loss) gain of the investee company	Investment (loss) gain recognized for the period	Remarks
				End of the period	End of previous year	Number of shares	Ratio (%)	Carrying amount			
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	$ 955,893	$ 955,893	1,300	100	$ 2,660,535	$ 331,585	$ 331,585	
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	1,998,400	1,998,400	191,400,000	100	417,926 (Note 1)	(224,829)	(224,829)	
	Everest Textile (HK) Co., Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	1,215	(53)	(53)	
Everest Investment (Holding) Ltd.	Everest Textile (Thailand) Co., Ltd.	Thailand	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	701,063	701,063	79,999,993	100	1,187,365	140,360		
Everest International Develop Investment Co., Ltd.	Everest International (HK) Limited	Hong Kong	Investment and holdings	1,260,433	1,260,433	41,300,000	100	951,214	88,144		
	Everest Apparel (HK) Limited	Hong Kong	Investment and holdings	848,467	848,467	27,580,000	100	(174,014)	(307,871)		
Everest International (HK) Limited	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,260,433	1,260,433	1,000	100	866,259	29,990		
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	53,395	(2,778)		
	Everest Textile USA, LLC.	The U.S.	Production and dyeing of yarn and woven fabrics	1,181,263	1,181,263	38,800,000	100	807,309	32,239		
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	69,244	(110,734)		
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(146,758)	(195,836)		

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

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

Everest Textile Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the year ended December 31, 2021

Table 7

Unit: NT$ Thousands, unless specified otherwise

Name of the investee company in Mainland China	Principal business activities	Paid-in capital (Note 2)	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered for the period		Cumulative investment amount remitted from Taiwan at the end of the period	Current (loss) gain of the investee company	The Company's direct or indirect investment shareholding (%)	Investment (loss) gain recognized for the period (Notes 3 and 4)	Carrying amount of investments at the end of the period	Investment gains repatriated at the end of the period
					Remitted	Recovered						
Everest Textile (Shanghai) Ltd.	Research, development, dyeing, back-end processing and selling of high emulation chemical fibers and high-grade textile cloth	$ 830,400 (USD$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	$ 980,349 (USD$30,000 thousand)	$ -	$ -	$ 980,349 (USD$30,000 thousand)	$182,643	100	$ 185,293	$1,492,906	$ -

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by the Ministry of Economic Affairs Investment Committee (MOEAIC) (Note 2)	Investment limits stated by MOEAIC regarding investments in Mainland China (Note 1)
$ 830,400 (USD$30,000 thousand)	$ 830,400 (USD$30,000 thousand)	$ 4,090,106

Note 1: Calculated based on the limits stated in the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the MOEAIC on August 29, 2009 ($6,816,844×60%=$4,090,106).

Note 2: The amount is translated at a currency rate where USD$1 equals NT$27.68.

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

Note 4: Investment gains recognized for the period is the net amount after adding the realized gross sales of goods amounted to NT$2,650 thousand arising from the side current transactions.

Everest Textile Co., Ltd. and Subsidiaries

Significant Transactions with Investee Companies in Mainland China, either Directly or Indirectly through A Third Area, and Their Prices, Payment Terms, and Unrealized Gains or Losses

For the year ended December 31, 2021

Table 8

Unit: NT$ Thousands

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction amount differ from general transactions		Notes and trade receivables (payables)		Unrealized gains (losses)
			Purchase (sales) of goods	Amount (Note)	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and trade receivables (payables) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	($ 348,411)	(5)	Settle every 6 months	Equivalent	Equivalent	$ 42,377	4	$ 4,370
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(1,336,841)	(46)	Settle every 2 to 4 months	Equivalent	Equivalent	121,028	21	(1,283)
Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	Fellow subsidiary	Sales	(80,445)	(5)	Settle every 2 to 4 months	Equivalent	Equivalent	5,836	1	-

Everest Textile Co., Ltd. and Subsidiaries

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

For the year ended December 31, 2021

Table 9

Unit: NT$ Thousands

Code	Name of the transacting party	Counterparty of the transaction	Relationship with the transacting party (Note 1)	Transaction status			
				Accounts	Amount (Note 2)	Transaction conditions	Ratio to the consolidated total operating revenue or total assets (%)
0	The Company	Everest Textile (Thailand) Co., Ltd.	1	Sales of goods	$ 297,419	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3
				Processing expenses	561,124	No comparable goods under the same category; payment terms shall be settled every 1 month.	6
				Purchase of machine supplies on behalf of others	45,270	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Trade payables to related parties	68,446		-
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	348,411	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3
				Trade receivables from related parties	42,377		-
		Everest Textile USA, LLC.	1	Sales of goods	141,733	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Purchases	344,475	The transactions are made at general transaction prices; payment terms shall be settled every 6 months.	3
				Trade receivables from related parties	31,446		-
				Trade payables to related parties	135,177		1
				Purchase of machine supplies on behalf of others	19,601	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
		Everest International (HK) Limited	1	Purchases	54,475	The transactions are made at general transaction prices; payment terms shall be settled every 6 months.	1
				Commission expenses	19,502	No comparable goods under the same category; payment terms shall be settled every 1 month.	-
				Advances	52,848		1
		Everest Apparel (Ethiopia) S.C.	1	Processing expenses	16,457	No comparable goods under the same category; payment terms shall be settled every 1 month.	-
		Everest Apparel (Haiti) S.A.	1	Processing expenses	41,515	No comparable goods under the same category; payment terms shall be settled every 1 month.	-
				Sales of goods	50,137	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Trade receivables from related parties	23,455		-

(Continued)

(Continued)

Code	Name of the transacting party	Counterparty of the transaction	Relationship with the transacting party (Note 1)	Transaction status			
				Accounts	Amount (Note 2)	Transaction conditions	Ratio to the consolidated total operating revenue or total assets (%)
1	Everest International Develop Investment Co., Ltd.	Everest International (HK) Limited	3	Other payables to related parties	90,574		1
2	Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	3	Sales of goods	1,336,841	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	13
				Trade receivables from related parties	121,028		1
				Other receivables from related parties	360,422		2
3	Everest International (HK) Limited	Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	58,055	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Trade receivables from related parties	31,634		-
		Everest Apparel (HK) Limited	3	Other receivables from related parties	96,515		1
		Everest Apparel (Haiti) S.A.	3	Other receivables from related parties	144,102		1
		Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	473,625		3
4	Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	3	Trade receivables from related parties	93,653		1
				Sales of goods	211,705	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	2
		Everest Apparel (Haiti) S.A.	3	Other receivables from related parties	$ 311,899		2
				Trade payables to related parties	16,608		-
				Purchases	50,130	The transactions are made at general transaction prices; payment terms shall be settled every 6 months.	1
		Everest Development USA, LLC.	3	Other receivables from related parties	119,018		1
5	Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	3	Sales of goods	80,445	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	1
		Everest Apparel (Ethiopia) S.C.	3	Sales of goods	21,826	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
				Purchases	40,143	The transactions are made at general transaction prices; payment terms shall be settled every 6 months.	-
				Trade receivables from related parties	187,913		1
				Other receivables from related parties	19,495		-

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

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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

Everest Textile Co., Ltd.

Information on Major Shareholders

December 31, 2021

Table 10

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