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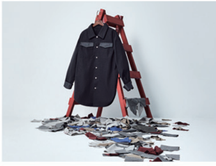
EVEREST TEXTILE CO., LTD.

2022
ANNUAL REPORT



Lean Power ▪ Smart Power ▪
Innovation Power ▪ Sustainability Power

To contribute to the society and change the world

Contents

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I. Foreword

In 2022, the impact of the Russian-Russian War continued, global inflation soared. The rapid rate tightening policy of major economies affected consumer demand, and even China's exports and investments. While the pressure of manufacturers inventory deterioration continued in 2023, consumption dynamics gradually returned to the right track, although the climate change, US-China competition and geopolitical risks, the sentiment significantly cool down.

Everest is Taiwan's leading professional textile factory from processing yarn, weaving, dyeing and finishing to garment vertical integration, excellent research and development capabilities, with innovative value-added fabrics and eco-innovative fabrics, is the best partner for international famous sports and outdoor leisure brand customers; Global layout regional Create, quickly and flexibly, construct short chain supply, meet customer needs; and use digital lean manufacturing, use AI technology to improve production efficiency, realize Industry 4.0.

Continued implementation of ESG (Environment, Social, Corporate Governance) under the target trend of global net zero carbon emissions in 2050. In 2022, he participated in the“2022 TCSA Taiwan Corporate Sustainability Awards” for the first time, won the Gold Award for Eco-greening Project and Long-Term Power Saving and Water Saving Action. Corporate Awards. “Business Week” reported in Taiwan's first survey — the top 100 carbon competitiveness, which is an affirmation of our ESG strategy. In the future, it will continue to achieve carbon reduction targets and enhance industry competitiveness.

II. Operating Performance in 2022

2022 consolidated revenue of $9,807,785 thousand, compared with the decline of 2% in 2021, net profit after tax 21,842 thousand yuan, EPS after tax 0.03 yuan. In March 2022, the Tainan warehouse fire was confirmed in December. Although the second half of the year was affected by the brand's inventory adjustment, orders were conservative, revenue was slightly reduced from last year, but still maintained a small profit throughout the year under cost control.

We will develop valuable customers with differentiated innovative and environmental products, leveraging the Group's vertical integration and global layout syndromes. We believe that profits will be more prominent in the coming year to give back to shareholders.

III. Summary of 2023 Operation Plans, Future Corporate Development Strategy, the Effect of External Competitive Environment, Regulatory Environment, and General Operating Environment; Sales Quantity Forecast, and Important Production and Sales Policy

The end demand is affected by inflation, but high performance products are still in demand. Brand customers demand material innovation, sustainable production, digital experience, etc., driving industry investment in renewable materials/green process technology. We uphold the spirit of innovation and entrepreneurship, with the “humanities x science” R&D strategy, combined with the trend, to provide multi-functional, sustainable fabrics and garments and other related products, to inject new growth momentum into the company.

Growth kine1:zero carbon economy - sustainability × functional textiles, high prices

Textile industry develops new membrane products for green economy such as carbon capture materials, biodegradable PU, environmentally friendly bio-based film (non-food source); raw material yarns: development of bio-polyester, new caprolactam polymerization technology carbon reduction products, recycling Tyre carbon black solution dyeing mechanical elastic fiber and low temperature dyeable polyester and other energy-saving carbon reduction products. At the same time, we focus on the localization of circular economy, the development of bioceramic membrane of abandoned oyster shells and thermal film products of silver acacia biocarbon.

Growthkinetics 2: core technology evolution digital drive to expand the real results

European textile trend issues: smart high-performance materials, digital, safe products and responsible supply chain; we develop multi-faceted products, think from the perspective of consumers and adapt to the cycle upgrade and reduce product carbon footprint, create a bacteriostatic sterilization Odor, UV protection, regulating body temperature, waterproof and moisture permeability and other functions of technology fashion products. With a digital platform, we combine data such as raw materials, process and transportation design with AI technology to enhance supply chain transparency and traceability and achieve zero waste in the industrial chain.

Growth Motivator 3:Global Layout Provide Customers with the Best Solution Profit Leap Forward

Everest adopts the following four strategies to enhance market competitiveness: 1. combining fabric research and development and garment design, fabric to garment one-stop service; 2) OEM specialization and technical aspects to shorten order delivery; 3. intelligent technology combined with factory decision board, build material demand planning system, integrated global Supply and demand status; 4. new business ecology drives revenue growth, from media marketing management, with local group needs, develop customized products, and deepen localization advantages.

IV. Conclusion

Looking forward, the evolution of events such as inflation, rate hike, energy and war continues to affect us, and the overall business environment remains treacherous. We will meet the challenges of the market with core four forces (innovation, intelligence, sustainability, strength) and 125 core technologies, and provide customers with diverse and flexible comprehensive services based on global layout; and actively create smart factories and ecosystems, which will save energy and carbon reduction. Expanding into the textile ecosystem, becoming the benchmark for sustainability in the industry. In the changing environment, continue to evolve agile transformation, identify key points of opportunity, flip the change bureau, create positive change, and create a sustainable and resilient enterprise.

Chairman: Johnny Hih Manager: Ching Lai Yeh Chief Accountant: Mei Hsiu Huang

I. Date Established

The company was established on February 8, 1988, with a registered capital of NT$ 1 billion. The first share issuance was NT$ 250 million. In conjunction with the construction of factories, the capital was increased by NT$ 200 million in May 1988 and NT$ 50 million in August 1988. The capital reached NT$ 600 million, and the company officially started operation in October 1988.

II. Company History

(1) 1989 In June 1989, the factory was expanded, and capital increased by NT$ 400 million. Total paid-in capital was NT$1 billion. In the second year after the plant started operation, it was ranked 232nd in the import and export performance by the Bureau of Foreign Trade, Ministry of Economic Affairs.

(2) 1990 In October 1990, in order to improve financial structure, capital was increased by NT$ 400 million, the total capital was NT$ 1,400 million, and the registered capital was adjusted to NT$ 2 billion.

(3) 1991 Purchased one printing machine, eleven dyeing machines, one decrement machine, two setting machines, two brushing machines, etc. In May 1991, 15 directors and 3 supervisors were elected as the second term Board of Directors. The Company was ranked 268th in the import and export performance of the Bureau of Foreign Trade, Ministry of Economic Affairs and earned the second prize.

(4) 1992 In October 1992, the Company made capital increase by retained earnings of NT$ 210 million and capital increase by capital surplus of NT$140 million. The total capital amount became NT$1,750 million. Dyeing plant II purchased three setting machines, one reduction machine, eighteen dyeing machines and other machines. Another printing plant purchased a plate printing machine. The Ministry of Economic Affairs and International Trade Bureau ranked the Company as the 202nd in import-export performance. The Company was awarded the second prize, and was listed as one of the model manufacturers of water pollution prevention by the Environmental Protection Administration, Executive Yuan for its outstanding environmental protection performance.

(5) 1993 In July 1993, there was a capital increase by retained earnings of NT$ 236.25 million and the additional paid-in capital of NT$26.25 million. After capital increase, the paid-in share capital became NT$2,012.5 million. In order to expand business and grasp global trade opportunities, Everest (Hong Kong) Co., Ltd. was established, in which the company holds 99% of the share.

(6) 1994 In May 1994, 9 Directors and 2 Supervisors were elected for the 3rd term Board of Directors. In November 1994, capital increase by retained earnings of NT$211,312,500 was done. After capital increase, the paid-in share capital is NT$2,223,812,500. In October 1994, the Dyeing and Printing Division passed the ISO-9002 International Quality Assurance Standard Certification on March 18.

(7) 1995 In June 1995, capital increase by retained earnings of $266,857,500 was done, and the paid-in share capital was NT$2,490,670,000.
The Company was listed as the first class of stocks on the Taiwan Stock Exchange centralized market on April 28, 1995.

(8) 1996 Passed the ISO-9001 International quality assurance standard certification.
In May 1996, in order to expand the factory, a capital increase of NT$249,067,000 by retained earnings and capital increase of NT$500 million by cash was made. The total capital was NT$239,737,000.

(9) 1997 In May 1997, 9 Directors and 2 Supervisors were elected for the 4th Board of Directors. In order to expand the equipment, capital increase by retained earnings and additional paid-in capital of NT$323,973,700 was done and the total capital amount was NT$3,563,710,700. Bermuda Everest (Holdings) Co., Ltd. was established on July 10, 1997 for indirect investment in Asia.

(10) 1998： In April 1998, for the expansion of equipment and the repayment of loans to strengthen financial structure, capital increase by retained earnings of NT$605,830,820, capital increase by additional paid-in capital of NT$106,911,320, and capital increase of NT$356,400,000 was made in cash. Total capital became NT$ 4,632,852,840. Expanded the new spun fabric factory, integrated the filament and spun technology research and development capabilities, and established the Company's core competitive advantage.

Everest Factory in Thailand was established with paid-in capital of 300 million baht.

(11) 1999： Passed ISO-14001 environmental management system certification in March 1999.

In August 1999, capital increase by retained earnings of NT$555,942,340 was done. Total paid-in capital became NT$5,188,795,180.

Obtained Oeko-Tex standard 100 environmental certification in October 1999.

(12) 2000 In May 2000, 9 Directors and 2 Supervisors were elected for the 5th term Board of Directors.

In August 2000, capital increase by additional paid-in capital of NT$259,439,760 was done, and the total capital was NT$5,448,234,940. The Company applied fund for R & D technology projects and digitalization, so that the Company could continue to enhance R & D strength and expand marketing competitiveness.

(13) 2001 In 2001, capital reduction with treasury stocks of NT$796,980,000 was done. After capital reduction, capital amount was NT$ 4,651,254,940. The Company Implemented the large enterprise information and process integration system (B2Bi), introduced the Siebel CRM system, Adexa SCM system, KM knowledge management, passed OHSAS-18001 certification, and expanded the Sport wear machines in Thailand factory.

(14) 2002 In September 2002, capital increase by additional paid-in capital of NT$136,039,340 was done. After capital increase, capital amount was NT$4,670,684,280. Color dynamics, fabric design simulation communication system, product data management system (PDM), collaborative design system and e-learning system were implemented.

(15) 2003 In June 2003, 9 Directors and 2 Supervisors for the 6th term Board of Directors were elected.

In January 2003, the Company formally established the Advanced Technology Research Institute, which was approved by the Ministry of Economic Affairs, to develop high-tech original designed materials and continuously improve Everest’s innovative product design competitiveness.

In October 2003, the Thailand factory increased its capital by 200 million baht, and the total capital was 500 million baht. The second Thailand factory was expanded.

(16) 2004 In August 2004, capital increase by additional paid-in capital of NT$140,120,530 was done. Capital amount after capital increase was NT$4,810,804,810.

In 2004, the Thailand factory expanded the weaving plant and purchased 200 new looms.

(17) 2005 In August 2005, capital increase by additional paid-in capital of NT$96,216,110 was done. Capital after capital increase was NT$4,907,020,910. Established the “Nano Research Lab” and “Microbial Laboratory”. The labs are devoted to research and development of nano materials and technology as well as anti-bacteria and antiseptic testing and analysis.

V-GLM Global logistic deepening e-Plan system was implemented. The Corporate operation headquarter was founded.

(18) 2006 In February 2006, the Company entered the Southern Taiwan Innovation Park to share national research resources.

In April 2006, the Company promoted the “South Taiwan Textile R&D Alliance” with other related industries to boost the research and development capability of the textile industry.

In June 2006, 9 Directors and 2 Supervisors were elected for the 7th term of Board of Directors.

In July 2006, Everest Development (Shanghai) Co., Ltd. was established.

In August 2006, capital reduction by treasury stock of NT$101,000,000 and capital increase of additional paid-in capital of NT$98,140,420 was done. Total capital after the increase and decrease was NT$4,904,161,330.

In September 2006, the Company was awarded "Superior innovative enterprise" and "Excellent R&D result" award by the Ministry of Economic Affairs.

(19) 2007 The Company implemented Everest Sustainability Model in Jan 2007.

In May 2007, the Company joined as a partner of Bluesign Technologies AG in Switzerland and achieved the highest standard for factory environment, health, and safety.

In September 2007, the Company joined the globally renowned fabric trade show "Premiere Vision".

In November 2007, the Company was certified by ISO/IEC17025(testing and calibration laboratories), and has been recognized as a member of TAF (Taiwan Accreditation Foundation) together with professional lab institutions such as ITS and SGS.

In December 2007, the "Nano silver anti-bacteria fabric for home decorations"(woven fabrics) has won the "Nano Label".

In December 2007, the Company was awarded with "2007 continuously improving good factory" in environment, safety, and health management by Industrial Development Bureau, Ministry of Economic Affairs.

(20) 2008 Obtained certification from the International textile environmental certification company, bluesign® technology in April 2008.

In May 2008, the Company was awarded with the 4th "Nano industry technology elite award" by Ministry of Economic Affairs.

In October 2008, the Company joined "Taiwan sustainability forum" and led the nation to put emphasis on sustainable development.

In December 2008, the Company built Everest ecology industrial park to put "energy saving, environment protection, and loving earth" into practice.

In December 2008, the "Nano silver anti-bacteria fabric for home decorations"(knitted fabrics) has won the "Nano Label".

In December 2008, the Company added medical device(fabric) as a business item.

(21) 2009 In March 2009, the Company joined the Conservation Alliance as a member.

In May 2009, the Company became the first company in Asia that passed the certification of bluesign® for lamination and bonding products.

In June 2009, 9 Directors and 2 Supervisors were elected as the 8th Board of Directors.

Thailand factory and Shanghai factory have joined as partners of bluesign Switzerland in August and September 2009, respectively.

In August 2009, the Company's medical products have passed the GMP certification by Ministry of Health and Welfare, Executive Yuan.

In October 2009, the Company set up R&D center through an incentive plan funded by DOIT, Ministry of Economic Affairs.

In 2009, the Company executed professional textile trader plan sponsored by Bureau of Foreign Trade, Ministry of Economic Affairs.

(22) 2010 In January 2010, the Company developed the ultra-thin and light fabric, which is the lightest and thinnest 5 denier fabric in the market.

In June 2010, the renovation of sustainability building has been completed. The renovation followed the principle of "green building" and "appropriate technology".

In December 2010, the Company became the first textile company in Taiwan that was certified by SA8000.

(23) 2011 In March 2011, the Company developed the green fabric "EVER NANA" that was synthesized by green MEG and PTA.

In August 2011, Garment Department was established and its own brand "EverSmile" was established to create a happy Taiwan.

In September 2011, the first "corporate sustainability report" was issued.

(24) 2012 In June 2012, 9 Directors and 2 Supervisors were elected as the 9th term Board of Directors.

In July 2012, the three-layer lamination shell fabric and lining fabric have passed Recycled PET product certification.

In October 2012, the Company was awarded green building label of "Old building improvement--diamond" by Ministry of the Interior.

In October 2012, the Company was awarded "Clean production evaluation system qualification certification" by Ministry of Economic Affairs.

In October 2012, the Company was awarded "Taiwan green model product prize" by Ministry of Economic Affairs.

In November 2012, the Company was awarded "Excellent energy saving award" and "Green factory label" by Ministry of Economic Affairs.

In December 2012, the Company's tourism factory was certified by Ministry of Economic Affairs.

(25) 2013 In May 2013, the Company held a three-day seminar for Everest new product launch and ecological sustainability technology.

In October 2013, 21 products have passed PAS2050.2011(product carbon footprint verification) and ISO/CNS 14064-1:2006(2022 greenhouse gas reduction and inventory check).

In April 2013, the Company has joined Formosa Fashion Alliance to absorb new information and exchange ideas with industry players.

In December 2013, the Company established a knitting factory and integrated existing resources with simultaneous knitted and woven fabric strategy in order to broaden the market for the product.

(26) 2014 In May 2014, the Company held Everest new product launch and textile value chain seminar for three days.

Obtained ISO 50001 energy management system certification in December 2014.

In December 2014, the Company kicked off global intelligent Everest project and set up project management office.

In 2014, the Company purchased 64 knitting machines to supply fabrics for Fashion Sports brand customers and apparel BU.

In December 2014, the "Everest Intelligent global implementation organization" was launched.

(27) 2015 The ERP system was changed to SAP in April 2015 and went online in November.

In May 2015, the Company held Everest new product launch and textile value chain seminar for three days.

In May 2015, the Company obtained LCBA low carbon building materials label for the environment protection coal brick.

In August 2015, the Company was awarded "Commonwealth citizen prize" by Common Wealth Magazine.

(28) 2016 "Corporate social responsibility report" and ESM DVD version 4 were issued in May 2016.

In May 2016, the Company held Everest new product launch and textile value chain seminar for three days.

In October 2016, the Company launched the 5+5 Shoot for the Moon project for global layout and established the gauze dyeing factory in North Carolina, USA.

In December 2016, the Company obtained Outstanding Workplace Certification and was awarded the Medal for Outstanding Workplace Health by the Tainan City Health Bureau.

(29) 2071 In February 2017, the Company established Everest Apparel (Ethiopia) and Everest Apparel (Haiti).

The Company passed ISO 14001:2015 certification in March 2017.

"Corporate social responsibility report" and ESM DVD version 4(advanced) were issued in May 2017.

In June 2017, the Company passed SA8000:2014 certification.

In December 2017, the Company was awarded the "Thank You for Investing in America" award by the American Institute in Taiwan.

In December 2017, the Company has completed Science and Technology R&D Program "PTFE fiber spinning and multiple application technology platform development" plan funded by Ministry of Economic Affairs.

(30) 2018 In May 2018, the 6th "2018 Everest tradeshow and textile value chain seminar" was held. Over 250 woven and knitted garments with environment protection function were displayed, including health sports smart wear, collagen nylon, germanium far infrared heat fabric, digital printing with no boundary, recycle PU flexible elastic yarn, and Recycle nylon.

(31) 2019 In May 2019, the 7th "2019 Everest tradeshow and textile value chain seminar" was held.

In August 2019, the Company donated second-hand children's book and Lego building blocks to help the underprivileged children, echoing Far Eastern Group 70th anniversary public welfare activities "Far Eastern children story festival".

In November 2019, the "Happy Taiwan Public Welfare Marathon-The Love of the Shanshang Waterworks" event was held.

In December 2019, the Company was awarded the "Green Building Corporate Social Responsibility Model Award" by the Taiwan Green Building Council.

In December 2019, the Company was awarded the "Low Carbon Building Contribution Award" by the Low Carbon Building Alliance.

In December 2019, The Company was awarded "Healthy working environment certification and health promotion label" by Health Promotion Administration, Ministry of Health and Welfare.

(32) 2020 The Company was awarded "Clean production evaluation qualification certificate" by Ministry of Economic Affairs" in March 2020.

The "Green factory label" was awarded by Ministry of Economic Affairs in March 2020.

The "Intelligent textile defect inspection service innovation plan" has passed the review of "Ministry of Economic Affairs intelligent urban and rural areas life appliances subsidy plan (Innovation service)" in 2020.

The Company executed "Long-lasting personal protective multi-layer textile development plan" according to "Financial relief and rescue plan for industries and businesses affected by COVID-19 funded by Ministry of Economic Affairs" and "Subsidizing and coaching to assist industries for innovation activities funded by Ministry of Economic Affairs" in 2020.

In 2020, the Company donated 1,700 units of residential alarm for charitable purposes and received a certificate of appreciation from the Tainan City Government.

In 2020, for epidemic prevention purposes, Everest rapidly applied the energy of its existing technology platform to develop fabrics and finished products for high-tech masks and protective clothing to contribute to the fight against the epidemic.

In the mask evaluation conducted by Wall Street Journal in August 2020, the Company got the highest score from the comprehensive evaluation in style, air permeability, conformity and materials.

In 2020, the Company was awarded the recycle quantity prize by Tainan City’s resource recycling and reporting reward system.

In 2020, the Company was awarded the Excellent grade in the Evaluation of the Tainan City Labor Union.

(33) 2021 In May 2021, the Company passed "Small-to-Medium Enterprise Smart Application Upgrade Plan" and "2021 Annual TPS Lean Management Subsidy Plan" sponsored by Industrial development Bureau, Ministry of Economic Affairs.

In June 2021, in order to strengthen the operation structure and improve the financial structure, the Company reduced capital to offset losses. Total capital after capital reduction was NT$3,946,434,840.

In September 2021, the Company conducted capital increase in cash of NT$3 billion. Total capital was NT$6,946,434,840 after the capital increase.

In November 2021, the Company was awarded the Certificate of Assessment Level of Talent Development Quality Management System (Enterprise Edition) by the Workforce Development Agency, Ministry of Labor.

(34) 2022 The product won the 2022 SS ISPO Textrends Award TOP10 and the ISPO Textrends Fall/Winter 2024/25 Trend Fabric Award.

In July 2022, Everest Thailand Plant was awarded green building label of "Old building improvement--diamond" by Ministry of the Interior.

August 2022 in response to the promotion of the Tainan City Fire Bureau, strengthen its own disaster response energy, recruit employees to join the ranks, and set up enterprise fighting.

In October 2022, it was awarded the top 500 mark by the International Trade Bureau of Trade 110 annual import excellent manufacturers.

In November 2022, participated in the TCSA Taiwan Corporate Sustainability Awards for the first time, and won the 2022TCSA Sustainability Report Gold Award and the “Taiwan Top 100 Sustainable Companies Award”.

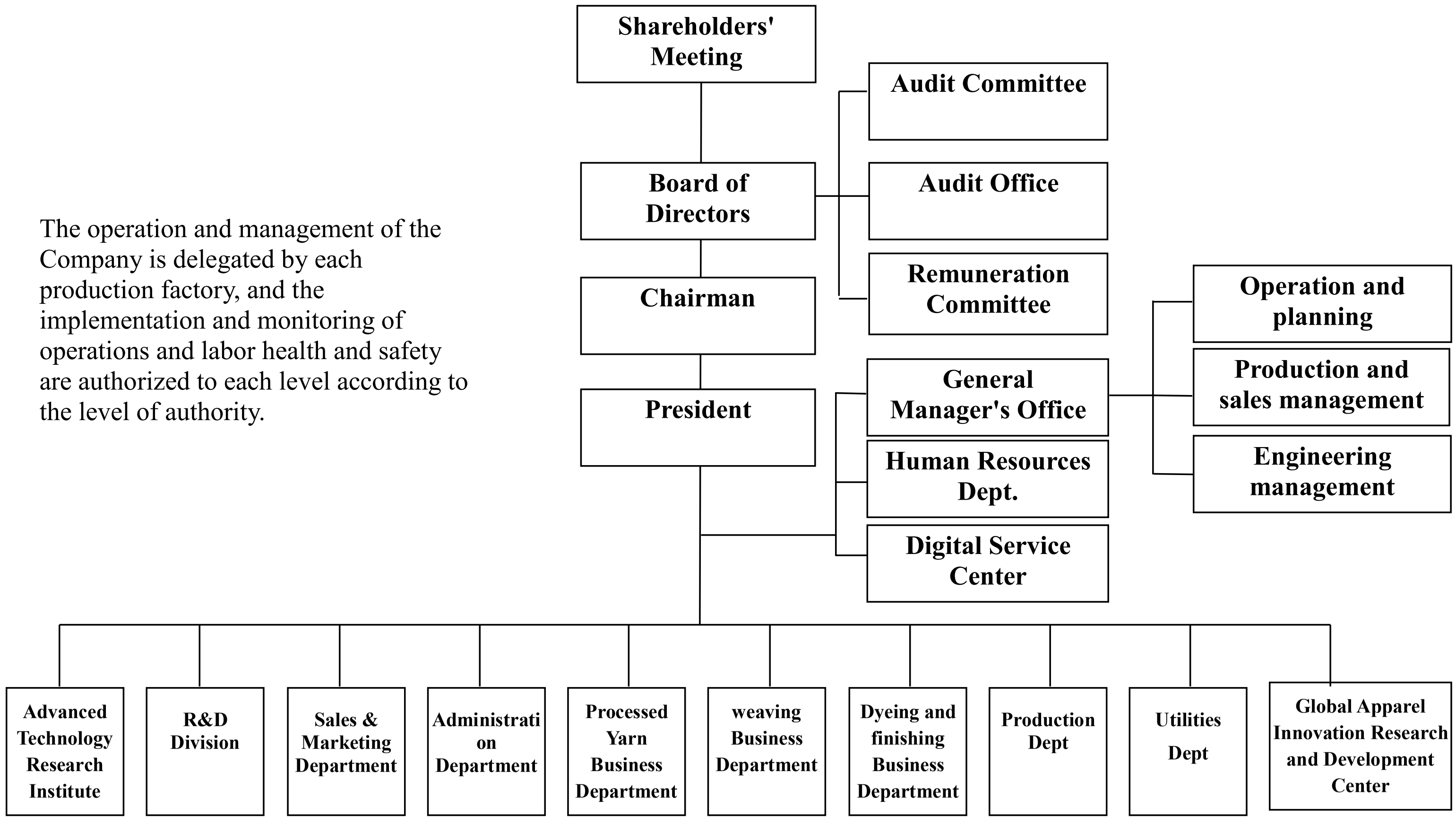
In December 2022, The Company was awarded "Healthy working environment certification and health promotion label" by Health Promotion Administration, Ministry of Health and Welfare.

I. Organization:

(I) Organization Chart

Everest Textile Co., Ltd.
Organization chart

The operation and management of the Company is delegated by each production factory, and the implementation and monitoring of operations and labor health and safety are authorized to each level according to the level of authority.



(II) Major Corporate Functions

Department	General Manager's Office	Human Resource Dep.	Digital Service Center	Advanced Technology Research Institute	R&D Division	Sales & Marketing Department	Administration Department	Yarn Processing Division	Weaving/Knitting Division	Dyeing Division	Production Dept	Utilities Dept	Global Apparel Innovation R&D Center
Major Corporate Functions	Overseeing the Company's operations, target strategies and global procurement business.	Establishment of human resource system, handling administrative matters, education and training rules and implementation.	Planning and implementation of corporate network, information and automation.	Development of key technologies, raw materials and post processing.	Design, research, and development of products required by customers.	Sale of various yarn, fabrics and garments as well as the marketing, planning and promotion of all products.	The management of legal affairs, shareholder affairs, administration, accounting and finance, import and export, production and public relation related affairs for factories.	The production of false twist processing and head twist processing for polyester filament.	Weaving of various natural, artificial, synthetic fiber gauze and blended gauze.	Printing and dyeing of yarn, silk and cloth and post-processing of finished cloth.	Responsible for the control and arrangement of manufacturing, logistics, and capacity allocation.	The supply of the Company's power, steam, soft water and machine maintenance.	Garment design, production, sales, and operation control.

II. Information About Director, President, Vice President, Director, and Head of Department and Branch:

(I) Information of Directors:

1. Information of Directors

April 11, 2023

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding by Spouse and Minor Children		Shares Held by Nominees		Experience (Education)	Positions Held Concurrently in the Company and in any Other Companies	Other Executives or Directors Who Are Spouses or within the Second Degree of Kinship with Another			Remarks
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
Chairman	ROC	Da Ju Fiber Co., Ltd. Representative: Johnny Hih	Male 76	2021.05.04	3 years	1988.02.08	1,150,000 *1,156,470	0.23% 0.23%	1,431,523 *1,439,576	0.21% 0.21%	- 152,440	- 0.02%	- -	- -	M.A. in Computer Science, Columbia University, USA.	Vice Chairman, Far Eastern New Century and Oriental Union Chemical Corporation Director of Asia Cement Corporation and CTCI	Director	Douglas Tong Hsu	Relative within two degree of kinship	NIL.
Director	ROC	Yuan Ding Investment Co., Ltd. Representative: Xu Xudong	Male 82	2021.05.04	3 years	2000.06.12	128,618,422 *-	25.23% -	164,613,745 *-	23.70% -	- -	- -	- -	- -	Honorary Doctor of Management, National Chiao Tung University, M.S., University of Notre Dame, Columbia Graduate Institute of Economics, Asia University	Chairman of Far Eastern New Century, Asia Cement, U-Ming Marine, Far Eastern Department Store Co., Ltd. and Far EasTone Telecommunications; Vice Chairman, Far Eastern Bank	Chairman	Jia-Yi Xi	Relative within two degree of kinship	NIL.
Director	ROC	Yuan Ding Investment Co., Ltd. Representative: Wu Gao Shan	Male 73	2021.05.04	3 years	1988.02.08	128,618,422 * 195,174	25.23% 0.04%	164,613,745 *242,951	23.70% 0.03%	- -	- -	- -	- -	College of Science Department of Chemistry, Chinese Culture University	President of Far Eastern New Century Director of Oriental Union Chemical Corporation and OPTC	-			NIL.
Director	ROC	Yuan Ding Investment Co., Ltd. Representative: Wen Gui Xiang	Male 71	2022.07.01	3 years	2022.07.01	28,618,422 *111,070	25.23% 0.04%	164,613,745 *203,511	23.70% 0.03%-	- 1,055-	- 0.00%-	- -	- -	President of Everest Textile Co., LTD. Department of Accounting, Taipei	President of Everest Textile Co., LTD.	-			NIL.
Director	ROC	Yue Ding Industry Co., Ltd. Representative: Ching Lai Yeh	Male 75	2021.05.04	3 years	1988.02.08	1,082,744 *1,652,779	0.21% 0.32%	3,553,661 *2,198,385	0.51% 0.32%	- -	- -	- -	- -	President of Everest Textile Co., LTD. Textile Department, Taipei Institute of Technology	President of Everest Textile Co., LTD.	-	-	-	NIL.
Director	ROC	Shuo Quan Co., Ltd. Representative: Shou-Lih Yeh	Male 82	2021.05.04	3 years	1988.02.08	113,806 *2,755,093	0.02% 0.54%	141,664 *2,132,613	0.02% 0.31%	- 86,537	- 0.01%	- -	- -	Accounting Department, National Chengchi University	JIH SHENG INDUSTRIAL CO., LTD. Chairman, President Innovation Director, Eu Hung Enterprise Director	-	-	-	NIL.
Director	ROC	Yu Yuan Investment Co., Ltd. Representative: Chia-Chung Wang	Male 78	2021.05.04	3 years	2015.06.12	3,147,509 *-	2.58% *-	6,366,066 *-	2.36% *-	-	-	- -	- -	MGI Excellence & Co., CPAs CPA Master of Economics, University of Sydney	Wang Zan International Investment Chairman, Kwan Shun Joint Partnership Accountant	-	-	-	NIL.

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding by Spouse and Minor Children		Shares Held by Nominees		Experience (Education)	Positions Held Concurrently in the Company and in any Other Companies	Other Executives or Directors Who Are Spouses or within the Second Degree of Kinship with Another			Remarks
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
	ROC	Yu Yuan Investment Co., Ltd. Representative: Lam Wah Sang	Male 88	2021.05.04	3 years	1988.02.08	13,147,509 * 2,833,324	2.58% 0.56%	16,366,066 2,132,169	2.36% 0.31%	354,627	0.20%	- -	- -	Lawyer Department of Law, Soochou University	Lawyer	-	-	-	NIL.
Independent director	ROC	Shiou Chung Chen	Male 79	2021.05.04	3 years	201806.12	-	-	-	-	-	-	- -	- -	Business Administration, Feng Chia University	Chairman of Tah Tong Textile Co., Ltd. Director of Great Bell Printing & Dyeing Co., Ltd. Independent Director of Yi Jinn Industrial Co., Ltd.	-	-	-	NIL.
	ROC	Jen Fa Chen	Male 78	2021.05.04	3 years	201806.12	1,041,358	0.20%	1,296,286	0.19%	245,315	0.04%	- -	- -	Department of Law, Chengchi University	Chairman of Chyang Sheng Dyeing & Finishing Co., Ltd Pao Chiang Construction Co., Ltd. Chairman	-	-	-	NIL.
	ROC	Yin Chi Chuang	Male 74	2021.05.04	3 years	201806.12	1,041,106	0.20%	805,881	0.12%	-	-	-	-	Business Administration Department, Hsing Wu Junior college of commerce	Chairman of Cheng Lung Investment Director of Tainan Spinning Co., Ltd. Director of Nantex Industry Co. Ltd., Director of Prince Housing & Development Corp.	-	-	-	NIL.

* Shareholding of the representative.

The Company's Chairman, President, or person of an equivalent post (chief manager) are not the same person, spouses, or relatives within the first degree of kinship.

2. Major shareholders of corporate shareholders

(1) Major shareholders of corporate shareholders and their shareholding percentage

11 April 2023

Name of Corporate Shareholder	Major Shareholders of the Corporate Shareholder (Shareholding Percentage)
Yuan Ding Investment Co., Ltd.	Far Eastern New Century (99.4%); Da Ju Fiber Co., Ltd. (0.3%); An Ho Garment Co., Ltd. (0.3%)
Shuo Quan Co., Ltd. (Note)	Yeh,Yu-Wen(6.66%); Yeh,Yu-Feng(6.66%); Lin Huang, Chuan-Chih(1.66%)
Yu Yuan Investment Co., Ltd.	Asia Cement Corp. (29.92%); Yuan-Ding Co., Ltd. (25.02%); Yuan Ding Investment Co., Ltd. (18.96%); U-Ming Marine Transport Corp. (17.66%); Ding Shen Investment Co., Ltd. (6.50%); Yue Tung Investment Co., Ltd. (1.84%); Yue Ding Industry Co., Ltd. (0.10%)
Yue Ding Industry Co., Ltd.	Fu Da Transport Co., Ltd. (27%), Yue Tung Investment Co., Ltd. (25%), An Ho Garment Co., Ltd. (16%), Ding Yuan International Investment Co., Ltd. (13%), Ton Fu Investment Corp. (5%), Ya Li Precast Pre-stressed Concrete Industries Corp. (4%), Da Ju Fiber Co., Ltd. (4%), Yuan-Ding Co., Ltd. (3%), Bai Ding Investment Co., Ltd. (2%), U-Ming Commerce Co., Ltd. (1%)
Da Ju Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd. (41.86%); Yue Ding Industry Co., Ltd. (38.76%); Yue Lee Investment Co., Ltd. (19.38%)

Not a public company thus unable to obtain top 10 shareholder information.

(2) Major shareholders of major corporate shareholders

11 April 2023

Name of Juristic Person	Major Shareholders of the Corporate Shareholder (Shareholding Percentage)
Far Eastern New Century Corp.	Asia Cement Corp (24%), Oriental Institute of Technology (5%), Far Eastern Y Z Hsu Medical Foundation (4%), Far Eastern Y Z Hsu Science and Technology Memorial Foundation (3%), Yuan Ze University (3%), Nan Shan Life Insurance Company, Ltd. (2%), Douglas Tong Hsu (2%), Chunghwa Post Co., Ltd. (2%), Der Ching Investment Corporation (2%), Special Account of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (1%)
Asia Cement Corp	Far Eastern New Century Corp (22%), Far Eastern Y Z Hsu Medical Foundation (5%), Yuanta/P-shares Taiwan Dividend Plus ETF (4%), China Life Insurance Co., Ltd. (2%), Finance Department of International Commercial Bank of China (2%), Yuan Ding Investment Co Ltd(2%), Far Eastern Department Store Co., Ltd. (1%), Yuan Ze University (1%), Far Eastern Y Z Hsu Science and Technology Memorial Foundation (1%)
U-Ming Marine Transport Corp.	Asia Cement Corporation (39.25%), Polaras Taiwan High Dividend Fund Account (4.68%), Fubon Selected Taiwan High Dividend 30ETF Account (1.13%), Yuan Ding Investment Co., Ltd. (1.05%), Yue Yuen Investment Co., Ltd. (0.94%), Asia Investment Corporation Limited (0.92%), Aristo Co., Ltd. (0.75%), JPMorgan Chase Bank, Taipei Branch, Van Gogard Group (0.72%), JPMorgan Chase Bank, Taipei Branch, Escrow of Japan Securities Finance Investment Account (0.71%), JPMorgan Chase Bank Taipei Branch Trustee custody Advanced Starlight Fund Advanced International Equity Index (0.66%)
Yuan-Ding Co., Ltd.	Far Eastern New Century Limited (37.13%), Asia Cement Corporation Limited (35.50%), Deloitte Investment Co., Ltd. (14.5%), Far Eastern New Century Limited (12.86%)
U-Ming Commerce Co., Ltd.	Bai Ding Investment Co., Ltd. ((47%); Yuan Ding Investment Co., Ltd. (45.5%); Yue Ding Industry Co., Ltd. (5%); Ding & Ding Management Consultants Co., Ltd. (1%); Yuan-Ding Co., Ltd. (1%); Yuan Ding Leasing Co., Ltd. (0.5%)
Fu Da Transport Co., Ltd.	Fu Ming Transportation Co., Ltd. (99.94%); Asia Investment Corp. (0.03%)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corp. (73.54%); U-Ming Marine Transport (Singapore) Private Ltd. (26.46%)
An Ho Garment Co., Ltd.	Far Eastern New Century Corp. (100%)
Ding Yuan International Investment Co., Ltd.	Far Eastern New Century Corp. (100%)
Ton Fu Investment Corp.	Oriental Union Chemical Corporation (100%)
Ya Li Precast Pre-stressed Concrete Industries Corp.	Asia Cement Corporation (83.89%); Far-Eastern Construction Engineering Co., Ltd. (16.03%)
Bai Ding Investment Co., Ltd.	Far Eastern Department Store Co., Ltd. (66.66%); Bai Yang Investment Co., Ltd. (33.34%)
Ding Shen Investment Co., Ltd.	Yuan Tong Investment Co., Ltd. (18%); Asia Investment Co., Ltd. (18%); Bai Ding Investment Co., Ltd. (18%); Dong Fu Investment Co., Ltd. (18%); Yue

Name of Juristic Person	Major Shareholders of the Corporate Shareholder (Shareholding Percentage)
	Tung Investment Co., Ltd. (18%); Yue Ding Industry Co., Ltd. (5%); Da Ju Fiber Co., Ltd. (5%)
Yue Lee Investment Co., Ltd.	U-Ming Marine Transport Corp. (68%); U-Ming Marine Transport (Singapore) Private Ltd. (32%)

3. Professionalism and independence of Directors and Supervisors

(1) Disclosure of professional qualifications of directors and their independence:

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Qualification / Name	Professional Qualification and Work Experience	Independence of Independent Directors	Number of other public companies where the individual concurrently serves as an independent director
Johnny Hih Chairman	Please refer to "Information of Directors" on Page 11 in this Annual Report for the professional qualifications of directors and their independence None of the directors falls under any of the circumstances stated in Article 30 of the Company Act.	Not applicable.	0
Douglas Tong Hsu Director			0
Kao Shan Wu Director			0
Wen Kui Hsiang Director			0
Ching Lai Yeh Director			0
Shou Chun Yeh Director			0
Haw Sheng Lin Director			0
Charles Wang Director			0
Shiou Chung Chen Independent director		All independent directors meet the following conditions: Comply with Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and relevant provisions of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Neither the Independent Directors (or their Nominees), nor their spouses or minor children hold shares of the Company. No remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two fiscal years.	0
Jen Fa Chen Independent director			0
Yin Chi Chuang Independent director			0

(2) Diversity and independence of the Board of Directors:

1) Diversity of the Board of Directors:

The Company's current Board of Directors consists of 11 directors, including 3 independent directors, among which, 9 have textile experience, and 2 have experience in other industries, with rich experience and professional background in textile industry operation, law, accounting, finance, economics, marketing and other fields respectively, which enable the Company to achieve the target of diversity as set out in the Corporate Governance Principles.Each member of the board of directors understands and agrees with the Company's business philosophy, grasps the industry status of the Company, and has considerable experience in international political and economic situations, legal compliance, international management and manufacturing management. In response to the ever-changing international competition management environment and the updating of laws and regulations (such as corporate governance). The Company aims to re-elect next year, lower the average age of directors, evaluate the increase of female directors, and increase the number of independent directorships.In addition to adopting a candidate nomination system for the nomination and selection of board members, evaluating each member's educational background and work experience, and complying with the Methods for Election of Directors and the Corporate Governance Principles to ensure that diversity, independence, and opinions of stakeholders are taken into account, the Company also plans exclusive courses for board members to equip them with the management ability to keep pace with The Times.

2) Independence of the Board of Directors:

The Company's current Board of Directors consists of 11 directors, including 3 independent directors, accounting for more than one quarter of the total number of directors.

(II) President, Vice Presidents, and Directors of All the Company's Divisions and Branch Units

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Title	Nationality	Name	Gender	Date Elected	Share Holdings		Shares Held by Spouse & Minors		Shares Held by Nominees		Experience (Education)	Note: (A)	Managers Who are Spouses or Within the Second Degree of Kinship			Remarks (B)
					Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
President	Republic of China	Ching Lai Yeh	Male	1988.02.08	2,198,385	0.32%	0	0.00%	0	0	The Taipei College of Science and Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
General Manager's Office Vice President	Republic of China	Wen Kui Hsiang	Male	2012.06.01	203,511	0.03%	1,055	0.00%	0	0	National Taipei College of Business Far Eastern New Century Corporation	NIL.	NIL.	NIL.	NIL.	NIL.
General Manager's Office Vice President	Republic of China	Hsien Shen Hung	Male	2018.03.19	206,451	0.02%	23,835	0.00%	0	0	Kun Shan Institute of Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
General Manager's Office Vice President	Republic of China	Sen Mao Wu	Male	2018.03.19	208,385	0.03%	0	0.00%	0	0	Feng Chia University Manager of Chia Her Industrial Co., Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.
Sales & Marketing Department Vice President	Republic of China	Ming Yi Hsiao	Male	2012.01.01	656,864	0.10%	0	0.00%	0	0	National Taiwan Institute of Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Weaving Department Vice President	Republic of China	Chin Liang Chen	Male	2019.03.19	286,564	0.04%	29,327	0.00%	0	0	Far East Junior College of Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
General Manager's Office Vice President	Republic of China	Shih Jung Lin	Male	2018.12.05	82,000	0.01%	0	0.00%	0	0	Kun Shan Institute of Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Sales & Marketing Department Vice President	Republic of China	Mei Na Liu	Female	2019.02.14	82,000	0.01%	0	0.00%	0	0	The Taipei College of Science and Technology The President of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Dyeing the whole Senior Director	Republic of China	Wen Chin Yeh	Male	2018.04.01	323,530	0.05%	0	0.00%	0	0	Kun Shan Institute of Technology Senior Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Sales & Marketing Department Senior Director	Republic of China	Hui Min Cheng	Female	2018.11.10	109,447	0.02%	0	0.00%	0	0	Tamkang University Senior Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Production Dept Senior Director	Republic of China	Ping Liang Chen	Male	2019.02.14	223,481	0.03%	0	0.00%	0	0	Tunghai University Senior Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Administration Department Director	Republic of China	Tung Sheng Hung	Male	2017.06.05	167,522	0.02%	0	0.00%	0	0	Far East Junior College of Technology Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Digital Service Center Director	Republic of China	Yi Cheng Tseng	Male	2018.09.14	85,944	0.01%	0	0.00%	0	0	Oriental Academy of Industrial Technology Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Sales & Marketing Department Director	Republic of China	Chin Li Kao	Female	2019.01.01	75,910	0.01%	0	0.00%	0	0	Jingwen Vocational High School Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
R & D Center Director	Republic of China	Huang Shan Lin	Male	2019.01.01	82,000	0.01%	0	0.00%	0	0	Feng Chia University Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Finance Office Director	Republic of China	Ting Hua Hung	Male	2019.10.01	82,000	0.01%	0	0.00%	0	0	Assistant Manager, Tamkang University	NIL.	NIL.	NIL.	NIL.	NIL.
R&D Division Director	Republic of China	Chao Li Li	Female	2020.12.01	82,000	0.01%	0	0.00%	0	0	Far East Junior College of Technology Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.

Title	Nationality	Name	Gender	Date Elected	Share Holdings		Shares Held by Spouse & Minors		Shares Held by Nominees		Experience (Education)	Note: (A)	Managers Who are Spouses or Within the Second Degree of Kinship			Remarks (B)
					Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
Accounting Office Director	Republic of China	Mei Hsiu Huang	Female	2021.05.15	97,914	0.01%	0	0.00%	0	0	Tainan Woman's College of Arts & Technology Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Administration Department Director	Republic of China	Ju Wen Ting	Female	2021.03.08	50,000	0.01%	0	0.00%	0	0	University of Central Missouri, USA Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.
Sales & Marketing Department Director	Republic of China	Tai Kan Fai	Male	2022.07.05	2,000	0.00%	0	0.00%	0	0	Soochow University Director of the Company	NIL.	NIL.	NIL.	NIL.	NIL.

Note A. Positions concurrently held in any other companies
Note B. The Company's Chairman, President, or person of an equivalent post (chief manager) are not the same person, spouses, or relatives within the first degree of kinship.

(III) Remuneration Paid to Directors, President, and Vice Presidents during the Most Recent Year

1. Remuneration forDirectors (including Independent Directors)

Unit: in Thousand NT Dollars

Title	Name	Remuneration: Base Compensation (A): The Company	Remuneration: Base Compensation (A): Consolidated Entities	Remuneration: Severance Pay and Pension (B): The Company	Remuneration: Severance Pay and Pension (B): Consolidated Entities	Remuneration: Remuneration to Directors (C) (C): The Company	Remuneration: Remuneration to Directors (C) (C): Consolidated Entities	Remuneration: Allowances (D): The Company	Remuneration: Allowances (D): Consolidated Entities	Ratio of Total Remuneration (A+B+C+D) to Net Loss (%): The Company	Ratio of Total Remuneration (A+B+C+D) to Net Loss (%): Consolidated Entities	Relevant remuneration received by directors who are also employees: Salary, Bonus and Allowances (E): The Company	Salary, Bonus and Allowances (E): Consolidated Entities	Severance Pay and Pensions (F): The Company	Severance Pay and Pensions (F): Consolidated Entities	Employee Compensation (G): The Company: Cash	Employee Compensation (G): The Company: Stock	Employee Compensation (G): Consolidated Entities: Cash	Employee Compensation (G): Consolidated Entities: Stock	Ratio of Total Remuneration (A, B, C, D, E, F, and G) to Net Loss (%): The Company	Ratio of Total Remuneration (A, B, C, D, E, F, and G) to Net Loss (%): Consolidated Entities	Compensation from an Invested Company or the Parent Company Other than the Company's Subsidiaries (J)
Chairman	Da Ju Fiber Co., Ltd. Representative: Johnny Hih	0	0	0	0	0	0	160	160	160 0.73%	160 0.73%	3,123	3,123	0	0	24	0	24	0	3,307 15.14%	3,307 15.14%	0
Director	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu	0	0	0	0	0	0	130	130	130 0.60%	130 0.60%	0	0	0	0	0	0	0	0	130 0.60%	130 0.60%	0
	Yuan Ding Investment Co., Ltd. Kao Shan Wu	0	0	0	0	0	0	160	160	160 0.73%	160 0.73%	0	0	0	0	0	0	0	0	160 0.73%	160 0.73%	0
	Yuan Ding Investment Co., Ltd. Eric Hu	0	0	0	0	0	0	60	60	60 0.27%	60 0.27%	0	0	0	0	0	0	0	0	60 0.27%	60 0.27%	0
	Yuan Ding Investment Co., Ltd. Wen Kui Hsiang	0	0	0	0	0	0	80	80	80 0.37%	80 0.37%	2,693	2,693	108	108	19	0	19	0	2,900 13.28%	2,900 13.28%	60
	Yue Ding Industry Co., Ltd. Ching Lai Yeh	0	0	0	0	0	0	160	160	160 0.73%	160 0.73%	2,969	2,969	1,630	1,630	23	0	23	0	4,782 21.89%	4,782 21.89%	60
	Shuo Quan Co., Ltd. Shou Chun Yeh	0	0	0	0	0	0	150	150	150 0.69%	150 0.69%	0	0	0	0	0	0	0	0	150 0.69%	150 0.69%	0
	Yu Yuan Investment Co., Ltd. Charles Wang	0	0	0	0	0	0	160	160	160 0.73%	160 0.73%	0	0	0	0	0	0	0	0	160 0.73%	160 0.73%	0
	Yu Yuan Investment Co., Ltd. Haw Sheng Lin	0	0	0	0	0	0	160	160	160 0.73%	160 0.73%	0	0	0	0	0	0	0	0	160 0.73%	160 0.73%	0
Independent director	Shiou Chung Chen	0	0	0	0	0	0	760	760	760 3.48%	760 3.48%	0	0	0	0	0	0	0	0	760 3.48%	760 3.48%	0
	Jen Fa Chen	0	0	0	0	0	0	760	760	760 3.48%	760 3.48%	0	0	0	0	0	0	0	0	760 3.48%	760 3.48%	0
	Yin Chi	0	0	0	0	0	0	850	850	850	850	0	0	0	0	0	0	0	0	850	850	0

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Loss (%)		Relevant remuneration received by directors who are also employees								Ratio of Total Remuneration (A, B, C, D, E, F, and G) to Net Loss (%)		Compensation from an Invested Company or the Parent Company Other than the Company's Subsidiaries (J)
		Base Compensation (A)		Severance Pay and Pension (B)		Remuneration to Directors (C) (C)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay and Pensions (F)		Employee Compensation (G)						
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
																Cash	Stock	Cash	Stock			
	Chuang									3.89%	3.89%									3.89%	3.89%	

(1) Independent directors' remuneration payment policy, system, standards and structure, and the relationship between the amount of remuneration paid according to the responsibilities, risks, investment time, etc.: By the Board of Directors according to the Articles of Association, participate in the industry's regular payment level to agree on a fixed remuneration, without participating in the company's profit Distribution of remuneration. In consideration of the Company's industry characteristics and scale of operations/assets, the remuneration of Independent Directors reasonably reflects their responsibility and balance.

(2) In addition to the information disclosed above, has any of the Company's Directors received compensations for providing services (e.g. serving as a non-employee consultant) to any of the companies listed in this financial report in the most recent year:

Note 1. The business execution fees referred to in this table are based on the actual distribution in 111.

Note 2. Neither the Company nor any of the companies included in the consolidated financial statements had issued employee stock warrants, new restricted employee shares or stock dividends for capital increase by transferring employee bonus.

Note 3. Representative of Yuan Ding Investment (Stock) Company: HSU,HSU-TUNG, WU,KAO-SHAN, HU,CHENG-LUNG, HSIANG,WEN-KUEI; Yu Ding Industrial (Stock) Company Representative: Ching Lai Yeh; Shuo Quan (Stock) Company Representative: YEH,SHOU-CHUN; Yu Yuan Investment (Stock) Company: WANG,CHIA-TSUNG, LIN,HUA-SHENG.

Remuneration level distance paidto all directors of the company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Consolidated Entities	The Company	Consolidated Entities
Less than NT$1,000,000	Representative of Da Ju Fiber Co., Ltd.:Johnny Hih Representative of Shuo Quan Co., Ltd.: Shou Chun Yeh; Representative of Yuan Ding Investment Co., Ltd.: Donglas Tong Hsu, Kao Shan Wu, Eric Hu; Representative of Yue Ding Industry Co., Ltd.: Ching Lai Yeh; Representative of Yue Yuen investment: Wang Jiacong, Lin Huasheng Shiou Chung Chen, Jen Fa Chen, Yin Chi Chuang	Representative of Da Ju Fiber Co., Ltd.:Johnny Hih Representative of Shuo Quan Co., Ltd.: Shou Chun Yeh; Representative of Yuan Ding Investment Co., Ltd.: Donglas Tong Hsu, Kao Shan Wu, Eric Hu; Representative of Yue Ding Industry Co., Ltd.: Ching Lai Yeh; Representative of Yue Yuen investment: Wang Jiacong, Lin Huasheng Shiou Chung Chen, Jen Fa Chen, Yin Chi Chuang	Representative of Shuo Quan Co., Ltd.: Shou Chun Yeh; Representative of Yuan Ding Investment Co., Ltd.: Donglas Tong Hsu, Kao Shan Wu, Eric Hu; Representative of Yue Yuen investment: Wang Jiacong, Lin Huasheng Shiou Chung Chen, Jen Fa Chen, Yin Chi Chuang	Representative of Shuo Quan Co., Ltd.: Shou Chun Yeh; Representative of Yuan Ding Investment Co., Ltd.: Donglas Tong Hsu, Kao Shan Wu, Eric Hu; Representative of Yue Yuen investment: Wang Jiacong, Lin Huasheng Shiou Chung Chen, Jen Fa Chen, Yin Chi Chuang
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	0	0	0	0
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	0	0	Representative of Da Ju Fiber Co., Ltd.: Johnny Hih Yuan Ding Investment Representative: Xiang Wen Gui	Representative of Da Ju Fiber Co., Ltd.: Johnny Hih Yuan Ding Investment Representative: Xiang Wen Gui
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	0	0	Representative of Yue Ding Industry Co., Ltd.: Ching Lai Yeh;	Representative of Yue Ding Industry Co., Ltd.: Ching Lai Yeh;
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	0	0	0	0
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	0	0	0	0
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	0	0	0	0
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	0	0	0	0
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	0	0	0	0
More than NT$100,000,000	0	0	0	0
Total	12	12	12	12

2. Remuneration of President and Vice Presidents (and individual remuneration to the five highest paid individuals)

Unit: in Thousand NT Dollars

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Compensation (A+B+C+D) to Net Loss (%)		Compensation from an Invested Company or the Parent Company Other than the Company's Subsidiaries
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Ching Lai Yeh	2,485	2,485	1,630	1,630	484	484	23	-	23	-	4,622 21%	4,622 21%	60
Vice President	Wen Kui Hsiang	2,113	2,113	108	108	580	580	19	-	19	-	2,820 13%	2,820 13%	60
	Sen Mao Wu	550	2,776	1,267	1,267	396	396	18	-	18	-	2,231 10%	4,457 20%	-
	Ming Yi Hsiao	558	2,678	108	108	934	934	18	-	18	-	1,618 7%	3,738 17%	60
	Hsien Shen Hung	1,642	2,193	1,429	1,429	530	530	19	-	19	-	3,620 17%	4,171 19%	60
	Chin Liang Chen	575	2,484	60	60	958	958	17	-	17	-	1,610 7%	3,519 16%	-
	Mei Na Liu	1,708	1,708	104	104	591	591	15	-	15	-	2,418 11%	2,418 11%	-
	Shih Jung Lin	1,899	1,899	108	108	583	583	18	-	18	-	2,608 12%	2,608 12%	-

Pay toall general managers and vice general managers of the company	Name of President and Vice Presidents	
	The Company	Consolidated Entities
Less than NT$1,000,000	0	0
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Ming Yi Hsiao/Chin Liang Chen	0
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Xiang Wengui/Wu Senmao/Liu Mei-na/Lin Shih-Rong	Xiang Wengui/Liu Mei/Lin Shih-Rong
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Ching Lai Yeh／Hsien Shen Hung	Ching Lai Yeh／Sen Mao Wu / Ming Yi Hsiao / Hsien Shen Hung / Chin Liang Chen
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	0	0
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	0	0
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	0	0
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	0	0
NT$5,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	0	0
More than NT$100,000,000	0	0
Total	8 people	8 people

4. Employee bonus paid to managers:

30 April 2023
Unit: in Thousand NT Dollars

Title		Name	Stock Amount	Cash Amount	Total Amount	Ratio of Total Amount to Net Income (%)
Manager	President	Ching Lai Yeh	0	331	331	1.52%
	Vice President	Wen Kui Hsiang				
	Vice President	Ming Yi Hsiao				
	Vice President	Hsien Shen Hung				
	Vice President	Sen Mao Wu				
	Vice President	Chin Liang Chen				
	Vice President	Shih Jung Lin				
	Vice President	Mei Na Liu				
	Senior Director	Wen Chin Yeh				
	Senior Director	Hui Min Cheng				
	Senior Director	Ping Liang Chen				
	Senior Director	Huang Shan Lin				
	Senior Director	Chin Li Kao				
	Director	Tung Sheng Hung				
	Director	Yi Cheng Tseng				
	Director	Ting Hua Hung				
	Director	Chao Li Li				
	Director	Mei Hsiu Huang				
	Director	Ju Wen Ting				
	Director	Tai Kan Fai				

The Company did not issue shares for capital increase by employee compensation.

(IV) Remuneration to Directors, the President, and Vice Presidents

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors and managers of the Company, to the net income

Item / year	Ratio of Directors, President, and Vice Presidents' Total Remuneration to Net Income (Loss) after Tax:	
	Parent company only	Consolidated Entities
2022	99%	130%
2021	9%	12%

2. Comparison of remuneration paid to directors, general manager and deputy general manager of the company in the last two years

Unit: in Thousand NT Dollars

Item / Title	The Company				Consolidated Reports All Companies			
	2021		2022		2021		2022	
	Total Amount	Proportion of net profit after tax	Total Amount	Proportion of net profit after tax	Total Amount	Proportion of net profit after tax	Total Amount	Proportion of net profit after tax
Remuneration	8,985	4.94%	11,809	54.06%	8,985	4.94%	11,809	54.07%
Remuneration of Independent Directors	2,440	1.34%	2,370	10.85%	2,440	1.34%	2,370	10.85%
General manager and deputy general manager remuneration	16,538	9.09%	21,547	98.64%	22,480	12.36%	28,353	129.81%
After Tax Net Profit	181,871	15.37%	21,844	163.55%	181,871	18.64%	21,842	194.73%

The increase in total profit after tax in 111 was due to a decrease in net profit after tax in 111.

3. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
   In accordance with the Company Act and Article 26 of the Company's Articles of Incorporation, the Company shall set aside 2% to 3.5% of the annual profits as remuneration to employees and not more than 2.5% as remuneration to directors.When there is accumulated loss, the Company shall first offset the loss.Employees may be paid in stock or cash, and the actual rate, amount, manner and number of shares to be distributed shall be judged by the board of directors and reported to the shareholders' meeting; The remuneration of directors is based on the evaluation results of the "Performance Evaluation of the Board of Directors" and the profitability of operations. The actual distribution rate and amount are judged by the board of directors and reported to the shareholders' meeting; independent directors receive fixed compensation. The compensation of directors, general managers, vice presidents, and managers is based on the company's operating performance and the industry standard. The compensation standard, structure, and system will be reviewed and adjusted in accordance with the actual operating conditions and changes in relevant laws and regulations. It is mainly based on factors such as job duties, general environment, operating environment risk and market level. Compensation for work performance is related to the company's operating performance.The procedure for setting the remuneration of directors is based on the Company's "Board of Directors' Performance Evaluation Method" as the evaluation basic, in addition to the overall operating performance of the company, the future business risks and development trends of the industry, the performance achievement rate of individuals and their contribution to the performance of the company was also taken into account. The evaluation includes the mastery of the Company's objectives and tasks, the directors' awareness of their duties and responsibilities, their participation in the Company's operations, the management of internal relations and communication, the directors' professionalism and continuing education, and internal control, etc., which are included in the evaluation of the continuing performance and compensation. The relevant performance appraisal and the reasonableness of the remuneration are reviewed by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations in order to achieve a balance between sustainable operation and risk control of the Company.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors and participation in operations of the Board of Directors

1. A total of 6 meetings have been held by the Board of Directors in 2021, with the Directors' attendance shown as follows:

Title	Name		Attendance in person	Attendance by Proxy	Attendance rate in person (%)	Remarks	
Chairman	Da Ju Fiber Co., Ltd.	Johnny Hih	4	0	100%	The Company reelected directors on May 4, 2021	Reelected
Director	Yuan Ding Investment Co., Ltd.	Douglas Tong Hsu	1	3	25%		Reelected
		Kao Shan Wu	4	0	100%		Reelected
		Eric Hu	0	2	0%		Decremission
		Wen Kui Hsiang	2	0	100%		Newly-appointed
	Yue Ding Industry Co., Ltd.	Ching Lai Yeh	4	0	100%		Reelected
	Shuo Quan Co., Ltd.	Shou Chun Yeh	3	1	75%		Reelected
	Yu Yuan Investment Co., Ltd.	Haw Sheng Lin	4	0	100%		Reelected
	Yu Yuan Investment Co., Ltd.	Charles Wang	4	0	100%		Reelected
Independent director		Shiou Chung Chen	4	0	100%		Reelected
		Yin Chi Chuang	3	1	75%		Reelected
		Jen Fa Chen	4	0	100%		Reelected

Other matters:

I. With regard to the operation of the Board of Directors, if any of the following circumstances occur, the dates, term of the meetings, content of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:

(I) The items listed in Article 14 of 3 of the Securities Exchange Act: Please refer to the important resolution of the Board of Directors on pages 46 to 47.

(II) Any Board resolutions to which independent directors have recorded or written objections or reservations to be noted in addition to the above:
The Independent Directors of the Company all agree with the major proposals of the Board of Directors without any objections or reservations.

II. Regarding recusals of Directors from voting due to conflicts of interests, the name of the directors, content of motions, reasons for recusal, and results of voting shall be specified:

III. TWSE/TPEx listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents.

The implementation of evaluation for the Board of Directors:

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Detail (Note 5)
Once a year	2022.01.01~ 2022.12.31	Board of Directors, individual Board Members, Audit Committee, and Remuneration Committee	Internal self-evaluation and Board members' self-evaluation	(1) Including participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election, continuing education of the Directors, and internal control. (2) Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. (3) Including participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, composition of the functional committee, election of its members, and internal control.

Note 1. The execution cycle of the Board of Directors' evaluation.

Note 2. The period of the performance evaluation of the Board of Directors.

Note 3. The scope of the evaluation includes the performance evaluation of the Board of Directors, individual Board members, and functional committees.

Note 4. The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Board members, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5. The evaluation contents shall include at least the following items according to the scope of evaluation:

(1) Including participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.

(2) Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

(3) Including participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, composition of the functional committee and election of its members, and internal control.

IV. Evaluation of targets(such as establishing an Audit Committee and enhancing information transparency) for strengthening of the functions of the Board of Directors during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:

In order to strengthen the function of the Board of Directors, enable the Board to make independent judgment on the Company's finance and operation, the Audit Committee was established at the 11th term of Board election on June 12, 2018. The Company completed the formulation of the "Performance Evaluation of the Board of Directors" at the 6th meeting of the 11th term Board of Directors on August 8, 2019 and disclosed it on the Company's website. The executive unit regularly conducts performance evaluations including the Board of Directors, individual director members, and functional committees every year, and reports the evaluation results to the Board of Directors and discloses them on the Company website.

Since the 9th term of the Board of Directors in 2012, the Company has announced the important resolutions and minutes of each board meeting in the corporate governance section of the Company's website to enhance the Company's information transparency and protect shareholders' rights. In order to strengthen corporate governance, the Company has purchased Directors, Supervisors and officers liability insurance from March 16, 2018, and completed the renewal on March 16, 2022.

2. Attendance of Independent Directors presenting at the Board meetings
A total of 6 meetings have been held by the Board of Directors in 2021, with the attendance of independent directors shown as follows:

Attendance of Independent Directors on the Board meetings in 2022 ◎: attend in person;☆: commissioned to attend; *: not attending				
Time of the Meeting / Independent director	(5th Session of the 2nd Term) 2022.03.03	The 4th Session of the 12th Term 2022.05.06	The 4th Session of the 12th Term 2022.08.09	The 4th Session of the 12th Term 2022.11.08
Shiou Chung Chen	◎	◎	◎	◎
Jen Fa Chen	◎	◎	◎	◎
Yin Chi Chuang	◎	☆	◎	◎
Other items to be noted: The meeting of the Board of Directors in 2022 has no objection or reservation on the relevant motion.				

(II) Operation of the Audit Committee:

A total of 5 meetings have been held by the Audit Committee in the 2021, with the attendance of independent directors shown as follows:

Title	Name	Attendance in person	Attendance by Proxy	Attendance rate in person (%)	Remarks
Convener	Yin Chi Chuang	3	1	75%	
Member	Shiou Chung Chen	4	0	100%	
Member	Jen Fa Chen	4	0	100%	

The Company's Audit Committee is composed of all Independent Directors. Audit Committee meetings are held on a quarterly basis. Major items reviewed and approved are:

1. Formulation of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling material financial or business activities, such as acquisition and disposal of assets, derivatives transactions, loaning of funds to others, and making endorsements or guarantees for others.
4. Matters bearing on the personal interest of a director.
5. Material transactions in assets or derivatives.
6. Material loaning of funds or provision of endorsements/guarantees.
7. Offering, issuance or private placement of any equity based securities.
8. Appointment, discharge or compensation of a certified public accountant (CPA).
9. Appointment or discharge of a finance manager, accounting manager or chief internal auditor.
10. Annual and semi-annual financial reports.
11. Other significant matters set forth by the Company or the competent authority.

◎ Review on Financial Statements

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and Proposal for Earnings Appropriation, among which the Financial Statements have been audited by Lou Liao and Li Yuan Guo of Deloitte Taiwan, by whom an audit report has been issued accordingly. The above-mentioned business report, financial reports, and proposal for earnings appropriation have been reviewed and approved to be correct by the Audit Committee.

◎ Appointment of External Auditor

The independence and qualification of the external auditor have been evaluated by the Audit Committee and the Board of Directors on March 9, 2023. There is no conflict of interest or kinship relations between the external auditor and the Company. The external auditor has kept a fair and objective attitude when providing professional services. The independence statement issued by the external auditor has been obtained. Independence and qualification requirements have been met.

Other matters:

I.

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	Proposals	Items listed in Article 14-5 of the Securities and Exchange Act:	The resolution results of the Audit Committee and the Company's response regarding the Audit Committee's opinions
March 3, 2022 (4th Session of the 2nd Term)	1. Report on the Sound Operation Plan of the Company	V	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. The implementation of the Company's self-preparation plan of financial statements	V	
	3. Credit line contracts between the Company and financial institutions	V	
	4. The Company proposed to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions	V	
	5. The Company's 2021 parent company only and consolidated financial statements	V	
	6. The Company's Earnings Distribution Proposal for 2021	V	
	7. Proposal for amendments to part of the articles of the Company's "Procedures for Acquisition and Disposal of Assets"	V	
	8. Proposal for amendments to part of the articles of the Company's "Procedures for Loaning Funds to Others" and "Procedures for making endorsements/guarantees"	V	
	9. Audit reports from November 2021 to March 2022	V	
	10. The Company's 2021 Statement of Internal Control	V	
	11. Proposal for amendments to the internal audit system of the Company's "Procedures for Acquisition and Disposal of Assets"	V	
May 6, 2022 (5th Session of the 2nd Term)	1. Consolidated financial statements for 2022 Q1	V	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. Credit line contracts between the Company and financial institutions	V	
	3. The Company's 2021 Business Report	V	
	4. Audit reports from March to April 2022	V	
August 11, 2022	1. Credit line contracts between the Company and financial institutions	V	Approved by all

(3rd Session of the 2nd Term)	2. Disposition of Far Silver Shares	V	members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	3. Consolidated financial statements for 2022 Q2	V	
	4. Audit reports from May to July 2022	V	
November 08, 2022 (3rd Session of the 2nd Term)	1. Subsidiary Everest Apparel(Haiti) S,A. Operation Planning Report	V	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. Expecting credit impairment loss by the subsidiary company's iesle plant overdue for more than one year	V	
	3. The Company's Fire Accident Insurance Claims Progress Report on March 15, 2022	V	
	4. The implementation of the Company's self-preparation plan of financial statements	V	
	5. Operation report of the company's integrity management, intellectual property management and risk management operations	V	
	6. Credit line contracts between the Company and financial institutions	V	
	7. The Company proposed to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions	V	
	8. Set or amend the “funds' loan and others operating procedures” and “endorsement guarantee operating procedures” for each subsidiary	V	
	9. Consolidated financial statements for 2022 Q3	V	
	10. The company's internal audit supervisor of the company's transactions	V	
	11. In order to amend some of the provisions of the Company's “Procedures for Handling Important Information”, in conjunction with the addition of the “Internal Audit System”	V	
	12. To develop the Company's “Enterprise Risk Management Policy”	V	
	13. To formulate Honyuan Industrial's “Procedures for Preparation and Verification of Sustainability Report”, in conjunction with the addition of the “Internal Audit System”	V	
	14. Audit reports from August to October 2022	V	
	15. Preparation of 112 Audit plan	V	
9 March 2023 (3rd Session of the 2nd Term)	1. The Company's Fire Accident Insurance Claims Progress Report on March 15, 2022	V	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. Subsidiary Everest Apparel(Haiti) S,A. Operation Planning	V	
	3. The implementation of the Company's self-preparation plan of financial statements	V	
	4. Credit line contracts between the Company and financial institutions	V	
	5. The Company proposed to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions	V	
	6. The Company's 2022 parent company only and consolidated financial statements	V	
	7. The Company's Earnings Distribution Proposal for 2022	V	
	8. To formulate the Company's “Pre-approval Policy for Non-Confident Service of Visa Accountants”	V	
	9. The case of the Company's capital loan and subsidiary Everest America Co., Ltd.	V	
	10. Audit reports from November 2022 to February 2023	V	
	11. The Company's 2022Statement of Internal Control	V	

(II) Any resolution disapproved by the Audit Committee but approved by more than two-thirds of all directors:

II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified:

None

III. Communications between the Independent Directors, the Company's chief internal auditor and CPA (including the items, method and results of communication regarding corporate finance or operations, etc.):

(I) Independent directors convene Audit Committee meetings every quarter, prepare meeting minutes after the meeting, and report material discussions and resolutions to the Board of Directors and management. In the meeting, the Chief Internal Auditor reports the execution of audit and major internal audit findings. The execution, reporting, and follow up of Independent Directors' instructions are completed. There is no specific suggestion items from Independent Directors.

(II) The engaged external auditor communicates with the Independent Directors on matters related to the audit (review) of financial statements and other matters required by the relevant laws and regulations in each quarterly Audit Committee meeting. There is no special suggestions from Independent Directors.

(III) Summary of communication:

Audit Committee meeting	Communication with Chief Internal Auditor	Communication with the external auditor
4th Session of the 2nd Term 2022.03.03	•Internal audit reports from November 2021 to February 2022	•2021 financial statements audit status •2021 internal control audit result •The Company evaluates he independence and competency of CPAs

		on a regularly basis.
5th Session of the 2nd Term 2022.05.06	•Internal audit reports from March to April 2022	•2022 Q1 financial statements audit status
6th Session of the 2nd Term 2022.08.11	•Internal audit reports from May to July 2022	•2022 Q2 financial statements audit status
7th Session of the 2nd Term 2022.11.08	•Internal audit reports from Auguar to October 2022 •2022 internal audit plan	•2022 Q4 financial statements audit status •Communication and explanation of audit matters on 2022 financial statements.
8th Session of the 2nd Term 2023.03.09	•Internal audit reports from November 2022 to February 2023	•2022 financial statements audit status •2022 internal control audit result •The Company evaluates the independence and competency of CPAs on a regularly basis. •Accountants describe the Audit Quality Indicator (AQI) assessment components and criteria. The future accounting firm will provide the relevant AQI for reference. To assist the Board of Directors and the Audit Committee to determine the appointment of the accountant.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluate items	Implementation Status			Differences in the Code of Practice and Reasons for Listed Companies
	Yes	No	Description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established the Corporate Governance Best Practice Principles and disclosed them on the official website and MOPS in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.	No deviation
II. Shareholding structure & shareholders' rights (I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly? (II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(I) The Company has an electronic mailbox for the Audit Committee and internal audit office as a communication channel with shareholders and stakeholders. Related matters such as shareholders' suggestions, doubts, queries, and litigations are handled according to related regulations. (II) The Company keeps abreast of the identity of its major shareholders and the parties with ultimate control of the major shareholders, and reports any changes in accordance with the information reporting procedures of listed companies. (III) In addition to the full-time personnel who takes charge of accounts receivable risk management, the Company and affiliates have also established "Operating procedure for acquisition or disposal of assets", "Procedures for granting loan to others" and "Procedures for endorsement/guarantee". The risk control mechanism and firewall have been properly established. (IV) The Company has established"Internal Procedures for Handling Important Information","Code of Ethics" and "Code of Integrity" to prohibit insiders from using undisclosed information in the market to trade securities, and carry out the following publicity: 1. Upon the signing of declaration letter by newly joined managers, a copy of "Operating procedure for material inside information declaration" is provided. 2. Irregularly communicate with managers regarding the "Procedures for material inside information declaration" and other insider trading related regulations. Strictly prohibit insiders of the Company from using undisclosed information in the market to trade securities. 3. Confidentiality agreements are signed by managers and employees of the Company upon coming on board. The Company also makes announcements of the "Operating procedure for material inside information declaration" to the employees.	No deviation
III. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives for the composition of board member been adopted for the board and have they been fully implemented? (II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee? (III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors	V		(I) The nomination and selection of the board members shall be conducted by adopting the candidate nomination system, in compliance with the Election Procedures of Directors and the Corporate Governance Practice Principles. In addition, the Company regularly conducts performance evaluations every year to confirm the competence, diversity and independence of each member, taking into consideration the opinions of stakeholders. The twelfth board members of the Company are rich in management, leadership decision-making and related industry knowledge, including legal, financial, economic and sales, etc., the company will continue to evaluate the diversity and complementary situation of our directors and implement diversified policies. Plan. 2. increase the proportion of female directors (currently 0, assessing increasing female seats) or independent directors (currently 3, assessing increased independent directors). 3. reduce the directors' long term and other policies, will be carefully evaluated when the directors are changed, the current implementation situation please (Note 1), please refer to the details of the transfer plan (Note 2). (II) The Company has 1. Occupational Disaster Investigation Committee: Investigate the cause of the accident and eliminate the recurrence of disasters. 2. Zero disaster promotion organization: disaster accident prevention. 3. Safety and Health Committee: Implement occupational safety and health management. 4. The Company has set up a Remuneration Committee and Audit Committee in accordance with the law. (III) The Company has formulated the "Everest Textile Co., Ltd. Board of Directors Performance Evaluation Method" in accordance with	No deviation

Evaluate items	Implementation Status			Differences in the Code of Practice and Reasons for Listed Listed Companies
	Yes	No	Description	
and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (IV) Does the Corporation regularly evaluate the independence of the CPA?			"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", which was approved by the Board of Directors on August 8, 2019. Each year, the Board of Directors and the board secretary perform an annual performance appraisal through internal self -assessment in five aspects (including: The level of participation in company operations, improving the quality of board decision-making, board composition and structure, selection and continuous training of directors, and internal control, etc.) The 2022 evaluation found the Company's board performance has "exceeded standards", which is sufficient to show the Company's strengthened effectiveness. The evaluation results are reported in the Remuneration Committee. In addition, the Company's Rules of the Performance Evaluation of the Board of Directors were approved by the board of directors in November 2020, and an external professional independent institution or an external team of experts and scholars shall be appointed to perform the evaluation at least once every three years. (IV) The Company periodically evaluates the independence and competency of CPAs based on audit quality indicators at least once a year and reports to the Board of Directors.The Company obtains the audit quality indicator report of the CPA firm and obtains basic information about the size of the CPA firm and the CPAs' academic experience and professional qualifications, such as the number of years of continuous audit service, financial or business independence from the Company, the existence of any disciplinary action or impairment, and the principle of independence, as well as performance and planning, etc. The Company also requests the CPAs and their firm to provide information and issue a statement, which has been evaluated and approved by the board of directors on March 9, 2023.Please refer to Note 3 for details of the Please refer to Note 3 for details of the evaluation.	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors to perform their duties, aiding directors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		On April 28, 2021, the Company's board of directors approved to engage a corporate governance officer to be held by Vice President Wen-Kuei Hsiang from the Administration Department, and assign several corporate governance personnel to assist in the corporate governance-related affairs. The scope of the corporate governance officer's responsibilities includes handling matters related to the board meeting and the shareholders' meeting, preparing minutes of the board meeting and the shareholders' meetings, assisting the directors in taking office and continuing education, providing directors with information necessary to carry out their business and assisting them in complying with the laws and regulations, so as to implement corporate governance. Corporate governance related matters executed in 2022 include the followings: 1. Handled matters relating to the board meetings and audit committee meetings and prepared meeting minutes: 4 board meetings, 4 audit committee meetings, totaling 8 meetings. 2. Handled shareholders' meeting related matters and prepare meeting minutes: 3. Assisting directors to develop: 11 people, 96 hours in total. 4. Assisted directors in providing information required to carry out their business, including providing meeting materials before the board meetings and audit committee meetings. 5. Assist directors in complying with the laws and regulations in the execution of their business or in making a formal resolution of the board of directors. 6. Issue ESG report. The chief corporate governance officer has, as stipulated by regulations, received at least 18 hours of continuous education within one year from the date of appointment and at least 12 hours of continuous education every year. Please refer to Page 43.	No deviation
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has set up a "Stakeholders" section on its website to establish a communication channel between shareholders, stakeholders, and relevant units of the Company. Each stakeholder can contact the relevant departments and units of the Company at any time when necessary, and the communication channel is smooth. The Company also regularly reports the communication with stakeholders to the board of directors and regular meetings.	No deviation
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its	V		The Company has engaged Oriental Securities Corporation to act as professional stock affairs agent and assist Shareholders' meeting related affairs.	No deviation

Evaluate items	Implementation Status			Differences in the Code of Practice and Reasons for Listed Listed Companies
	Yes	No	Description	
shareholder meetings?				
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (II) Has the Company adopted other measures to disclose information? (III) Does the Company publish and report its annual financial statements within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		(I) Our company has a website in English and Chinese:http://www.everest.com.tw Information related to financial business and corporate governance is disclosed in real time on the Company's website. (II) In addition to having a spokesperson and acting spokesperson, complying with relevant regulations and putting them to practice, the Company irregularly holds investors' conferences, has designated personnel to collect Company information, and regularly or irregularly discloses related information via the public information observation system and the Company's website. (III) According to Article 36 of the Securities Exchange Act, the Company's financial report and the operation of each month are reported at the public information observerhttps://mops.twse.com.tw/mops/web/index	No deviation
VIII.Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors)?	V		1. The Company complies with the relevant labor laws and International Bill of Human Rights, which are the basis for setting up and adjusting internal management system. The Company adheres to equal employment policy, irrespective of gender, race, age, marriage status, and family conditions, and delivers equal opportunity in respect of compensation, employment conditions, training, and promotion opportunities to protect the legal rights of employees. The Company has set up an Employee Welfare Committee to allocate welfare funds and handle various welfare measures in accordance with the law. In addition, in order to promote communication and physical and mental health among employees, the Company regularly organizes parent-child barbecue, domestic and foreign travel and subsidize community activities every year, so as to enhance the harmony between the Company and employees' families. 2. Everest is committed to improving the working and living environment by treating colleagues of different nationalities equally. Since 2018, the Company has been working with brand clients (Lululemon, Nike... Etc.) to plan for the zero-fee matters for foreign employees, and officially implement it in January 2020, so that foreign colleagues can work in Taiwan without any cost, nor do they have to bear the domestic agency service fees during their work in Taiwan, creating a stable employment environment to achieve a happy enterprise of win-win employee-employer. 3. Everest has formulated "Supplier Social Responsibility and Environmental Assessment Form" to evaluate suppliers' environmental safety and health/green supply chain and employees, including whether they have obtained specific ISO certification, whether they have perfect environmental safety management procedures, whether they have relevant documents specifying that they should avoid child labor, whether their payment for employee's salary meets the minimum legal wage, etc., totaling 27 evaluation items. The Company also requires suppliers to sign a declaration of "Free of Hazardous Substances" for the "Prohibited Substance Investigation", and when necessary, requires a third-party test report to confirm that their products meet the environmental protection regulations. 4. Please refer to (8) for other material information that can enhance the understanding of the state of corporate governance at the Company:	No deviation
IX. Please state the improvement, and prioritize enhancements and measures for those who have not yet improved on the latest corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation. (not applicable for the excluded companies)	V		The Company's results of "Corporate Governance Evaluation of 2022 are among the top 35% of listed companies. The improvement situation and priority enhancement items are described as follows: 1. Established a corporate sustainability committee. 2. Uploaded both the annual financial statements and the annual report in English 16 days before the regular shareholders' meeting. 3. Issued sustainable development bonds and social responsibility bonds. 4. In line with the HKMA to promote corporate governance 3.0, independent directors are expected to reach one-third of all board seats in 2024. 5. The HKMA Performance Assessment performs an external assessment once at least three years. 6. Formulate the company's website to disclose internal and external personnel, for illegal and unethical behavior reporting system.	

Competencies of directors:

Name of Directors	Gender	Term Seniority of Independent Director		Professional Knowledge and Skills			Diversified Core Competences							
		3 years below	3 to 6 years	Professional Background	Professional Qualification	Textile Industry Experience	Operational Judgments	Operation and Management	Finance and Accounting	Business and Economy	Crisis Management	Knowledge of the Industry	International Market Perspective	Leadership Decision
Johnny Hih	Male			Operation		v	v	v	v	v	v	v	v	v
Douglas Tong Hsu	Male			Operation		v	v	v	v	v	v	v	v	v
Kao Shan Wu	Male			Operation		v	v	v	v	v	v	v	v	v
Wen Kui Hsiang	Male			Operation		v	v	v	v	v	v	v	v	v
Ching Lai Yeh	Male			Textile		v	v	v	v	v	v	v	v	v
Shou Chun Yeh	Male			Textile		v	v	v	v	v	v	v	v	v
Haw Sheng Lin	Male			Law	Lawyer		v	v		v	v	v	v	v
Charles Wang	Male			Accounting	CPA		v	v	v	v	v	v	v	v
Yin Chi Chuang	Male	v		Operation		v	v	v	v	v	v	v	v	v
Shiou Chung Chen	Male		v	Textile		v	v	v		v	v	v	v	v
Jen Fa Chen	Male	v		Textile		v	v	v		v	v	v	v	v

Note 1. Thesuccessor planning and management objectives of board members and key management

In the succession planning of the Company, in addition to excellent working ability, the successor's business philosophy must be consistent with that of the Company. The Company's important business philosophy is to win at learning and change, constantly transform and upgrade as the first mover in the industry. Social indicators are also added to the performance appraisal items of Directors' self-assessment to strengthen the Board members' display of integrity and ethical value through their instructions, actions and conduct to express the importance of supporting the operation of the internal control system (for example: the Board adopts specific measures to set the tone for ethical, social, environmental protection or other forms of responsible behavior, including important projects such as greenhouse gas emission reports, sustainable production processes or community assistance after natural disasters). In the 2021 Shareholders' meeting, 8 Directors and 3 Independent Directors were elected. Each board member understands and agrees with the Company's business philosophy and completely understands the Company's industrial situation. At the same time, we have considerable experience in international political and economic situations, regulatory compliance, internationalized management and manufacturing management, and in order to respond to the ever-changing international competition management environment and the continuous updates of laws and regulations (such as corporate governance), the Company also plans exclusive courses for Board members to ensure that senior executives have the management ability to keep up with the times.

For important management level personnel, the Company has a series of complete executive promotion and training programs, cooperates with the Company's operations and the pace of globalization, promotes personal development plans, and has defined "innovation" as a necessary competence at all levels. Personal learning map is tailor-made and combined with the need from individual development plan (IDP). Annual curriculum planning and design are based on the compiled needs and annual performance is evaluated. Appropriate guidance and assistance are given according to current personal ability in order to improve performance.

"Supervisor training courses" are conducted for senior executives to take over the leadership. Through experience inheritance and case studies, employees with potential and excellent performance will grow quickly and thrive, and then become excellent leaders in various business groups to ensure sustainable operation and build the enterprise to last.

Note 2. Evaluation of the independence of CPAs:

Explanation	Results	Meet Independence Criteria
1. The CPAs shall recuse themselves from the commission and do not undertake the commission if they have a direct or significant indirect interest in the commission that would affect their impartiality and independence?	No conflict of interest	Yes
2. The purpose of the audit or review of the financial statements is to provide a medium to high probability but not absolute verification for the potential users of the statements. In addition to maintaining independence in substance, the CPA's independence in form is even more significant. Therefore, members of the audit service team, other CPAs, the firm and the affiliate enterprises of the firm are required to remain independent from the Company.	Yes	Yes
3. The CPAs appointed by the Company maintains the following conditions: (1) A professional accountant shall be straightforward and honest in providing professional services. (2) The CPA maintains a fair and objective attitude when providing professional services and prevents conflict of interest from affecting his/her independence.	Yes	Yes
(3) The CPA remains independent in form and in substance when auditing or reviewing financial statements and expresses his/her opinions in a fair manner.	Yes	Yes
4. The CPA's independence, honesty, fairness, and objectivity are closely related. The CPA does not lack or lose his/her independence that may affect his/her integrity, fairness, and objectivity when he/she was appointed.	Yes	Yes

Explanation	Results	Meet Independence Criteria
5. The CPA's independence has not been influenced by self-interest, self-evaluation, defense in court, familiarity, or coercion.	Yes	Yes
6. Independenceis affected by self-interest means a financial interest acquired through the Company or a conflict of interest with the Company due to other interests. Have the following conditions not occurred: (1) Has no direct or indirect significant financial interests with the Company. (2) Has financing or endorsement activities with the Company or its Directors. (3) The possibility of losing the Company as a client. (4) Intensive business relations with the Company. (5) Potential employment relationship with the Company. (6) Has contingent fee agreement on cases related to the Company's audit engagement.	Not applicable.	Yes
7. The influence of self-evaluation on the independence of the CPA refers to reports or judgments submitted by the CPA for non-auditing services which constitute important basis in the audit or review process of financial information; or if a member of the audit service team had once served as the Company's Director, Supervisor, or a position in the Company with significant influence over the audit case. Have the following conditions not occurred: (1) The members of the audit service team currently serve or have served in the past two years as the Company's directors, managers or other positions that have a significant impact on audit engagement. (2) Non-audit services provided by the CPA will directly impact audit engagement.	Not applicable.	Yes
8. The influence of defense in court on the independence of the CPA refers to the defense provided by a member of the audit service team to the Company's position or opinion that causes its objectivity to be questioned. Have the following conditions not occurred: (1) Publicizes or acts as agent of stocks or other securities issued by the Company. (2) Serves as the Company's defense counsel or represents the Company in mediating conflicts with third parties.	Not applicable.	Yes
9. The influence of familiarity on the independence of the CPA refers to the close relations with the Company's Directors or managers that cause the CPA or members of the audit service team to pay over attention to or sympathize with the Company's interests. Have the following conditions not occurred: (1) Has kinship with the Company's directors, managers, or personnel who have a significant influence on the audit engagement. (2) The former partner within one year of disassociating from the joint accounting firm to which the CPA is affiliated joined the Company as a director, officer or is in a key position to exert material impact over the subject matter of the engagement. (3) Accepted valuable gifts or presents from the Company, its Directors or managers.	Not applicable.	Yes
10. The influence of coercion on the independence of the CPA refers to the threat from the Company suffered or felt by a member of the audit service team that causes the member to be unable to maintain objectivity and clarify professional doubts. Have the following conditions not occurred: (1) The Company requested the CPA to accept inappropriate selection of accounting policy requested by the management or provide inappropriate disclosure in financial statements. (2) A firm being pressured to inappropriately reduce mandatory auditing tasks to reduce audit fee.	Not applicable.	Yes
11. The firm and the members of the audit team shall be responsible for maintaining their independence, at the same time, considering whether the executed works will impact their independence. If so, measures shall be taken to remove such impact or eliminate it to an acceptable level.	Yes	Yes
12. When the impact on independence is confirmed to be material, whether the Company, the firm and the audit team have adopted proper measures to eliminate such impact or reduce it to an acceptable level. The result shall be recorded.	Not applicable (No such case).	
13. If the Company, the firm and the audit team do not adopt proper measures to eliminate such impact or reduce it to an acceptable level, consideration shall be taken in regards to replacing the external auditor to maintain the independence.	Not applicable (No such case).	

(IV) Composition, responsibilities, and operations of the Remuneration Committee

1. Member of Remuneration Committee

April 11, 2023

Title	Qualification / Name	Professional Qualification and Work Experience	Independence Situation	Number of other public companies where the individual concurrently serves as a remuneration committee member
Independent director	Yin Chi Chuang	Please refer to page 11 Schedule 1 Information of Directors (1)	Eligible for independence, please refer to Schedule 1 on page 11 Information of Directors (1) Related Content	0
Independent director	Jen Fa Chen			0
NIL.	Jun You Lin			0

2. Operations of the Remuneration Committee
   (1) The Company's Remuneration Committee consists of 3 members.
   (2) Term of the 5th Remuneration Committee:May 4, 2021 to May 3, 2024. A total of 1 Remuneration Committee meeting was held in the most recent year. The information and attendance record of the members were as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Yin Chi Chuang	3	0	100%	Independent director
Member	Jun You Lin	3	0	100%	
Member	Jen Fa Chen	3	0	100%	Independent director

   (3) If the Board of Directors refuses to adopt or amend a recommendation of the remuneration committee, the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion:
   (4) If there were resolutions of the remuneration committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None
3. During 2022, the motions and resolutions of the Company's Remuneration Committee were as follows:

Meeting time	Content of Motions and Subsequent Treatment	Resolutions of the Remuneration Committee and the Company's Handling of Its Opinions
2nd Session of the 5th Term 2022.02.25	1. Human resource structure and human resource trends at six factories	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. Remuneration of Directors and Employees	
3rd Session of the 5th Term 2022.11.23	1. Statistics and Trend of Six Factories	All Members present agreed to do this.
	2. 2022 Annual Salary Adjustment Report	
	3. Impact of Basic Wage Increase	
4th Session of the 5th Term 2023.03.02	1. Statistics and Trend of Six Factories	Approved by all members present, submitted to the Board and unanimously approved by all directors present at the meeting.
	2. The influence of the guiding principle of wages payment date	
	3. Remuneration of Directors and Employees	

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof

Promotion Project	Implementation			Differences and reasons for the code of practice on sustainability with listed OTPEs
	Yes	No	Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has set up a part-time unit to promote sustainable development, which is responsible for coordinating the formulation and implementation of corporate sustainable development policies, systems or related management guidelines and specific promotion plans, and regularly reports the progress of implementation to the Board of Directors.(For the establishment of the part-time unit to promote sustainable development, please refer to the Company's sustainability report and the Company's website.) The Board of Directors is the highest steering unit to supervise the Company's sustainable development, regularly receiving the results of sustainable development implementation and future work plans, and supervising the promotion of sustainable development strategies.	NIL.
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company conducts risk assessment and analysis of environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle. In order to strengthen corporate governance and sound risk management practices, the "Risk Management Policy" was approved by the Board of Directors on November 8, 2022.	NIL.
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics? (II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change? (IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(I) The Company has established ISO14001 environmental management system, set up environmental safety office and designated personnel for environmental management, formulated environmental health and safety policies, promoted and implemented environmental management related matters, and submitted to third-party certification bodies for verification annually. (II) Promote green living 7R (Rethink, Reddesign, Reduce, Reuse, Repair, Recycle, Recovery), circular economy, clean production, energy saving and waste reduction measures to enhance resource productivity**(Less is More)**; and use environmentally friendly raw materials and dyeing additives to develop textiles that are harmless to humans and ecology to reduce the environment Shock. Also obtained“Cleaner Production Assessment System Certificate” and “Green Factory Certification Mark”. (III) In recent years, under the impact of climate change, enterprises have also begun to transform. In addition to effectively controlling operating costs and implementing waste reduction, recycling and energy saving, we also tried to replace coal carbon with biofuels, RDF, SRF and other low-carbon fuels, and began to build generation capacity of 4088 kW The solar power system has completed the construction of 1008 kW power generation capacity in 2022. In the future, energy saving and carbon reduction actions will be carried out in the following three directions 1. Utility Update: Add or replace new plant common utility equipment, such as solar power generation system, boiler fuel replacement, etc. 2. Process equipment replacement: replace old high-energy process equipment, using new energy-saving equipment, such as air compressor, dyeing machine, loom, etc. 3. Process optimization: From the beginning of product design, optimize the overall production process. (IV) The “Greenhouse Gas Reduction and Management Act” was revised to the “Climate Change Response Law” on 21 October 2021. It has a healthier system to implement	NIL.

<table>
<tr><th rowspan="2">Promotion Project</th><th colspan="3">Implementation</th><th rowspan="2">Differences and reasons for the code of practice on sustainability with listed OTPEs</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>environmental justice, based on 2022 CO2 inspected results were 143,650.17 tonnes of CO2E/year and 110 tonnes of inspection was 138,546.92 tonnes Total carbon emissions increased significantly in CO2 per year. The company adheres to the concept of “from cradle to cradle” and “waste = food” in waste management. With 7R recycling principle, we will continue to promote the concept of waste conversion to valuable resources, from the source to implement waste separation, reduce, recycle and recycle water after sewage treatment is completed The secondary use includes the use of control equipment and fire water, while newer dyeing additive machines are introduced to enhance energy saving, and gradually replace old dyeing machines. In addition to the newly purchased automatic dosing equipment, to reduce unnecessary waste of resources, and actively search for low-pollution raw materials Make replacements for a friendly environment. In order to make resources fully recycled, Everest works with suppliers to recycle packaging materials, including PE packaging film, packaging tape, scrap iron, etc. The total recycling volume in 2021 was 2,119,460 kg, with an average recycling rate up to 99%, which is expected to continuously reduce the impact on the environment. We have formulated policies on energy saving, greenhouse gas reduction, water and waste management, and statistics on greenhouse gas emissions, water consumption and total waste weight in our Sustainability Report.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?

(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits) and are business performance or results appropriately reflected in employee salary/compensation?

(III) Does the Company provide employees</td><td>V</td><td></td><td>(I) The Company complies with labor laws and international human rights conventions,formulate and adjust internal management systems,and protect employment policies without gender, race, age, marriage and family status, implement compensation, employment conditions, equality of training and promotion opportunities, and continue to track the regulatory dynamics. To protect the legitimate rights and interests of employees.

(II) The Company has formulated and implemented reasonable employee welfare measures and appropriately reflected operating performance or results in employee compensation.
1. The Company has implemented a comprehensive leave system in accordance with the labor laws and regulations, and the system is disclosed in the Rule of Employment.
2. To comply with the law and fulfill the needs of employees, the Company designed the benefits that employees can enjoy, including staff dormitory, car parks, breastfeeding (collecting) rooms, low-cost food and beverages, and provision of employee health check, etc., so that employees can enjoy a comprehensive welfare system (e.g. wedding subsidy, education subsidy for children, gift money for retirement, funeral subsidy, birth subsidy, maternity leave, parental leave, and paternity leave, etc).
3. Decided based on individual competency, level of contribution, market value of the position served, and in consideration of the Company's future operational risks. Such compensation has positive correlations to operational performance of the Company. Total remuneration package comprises three components: basic fixed salary, bonus, and benefits. The basic fixed salary is based on the market conditions of the positions held by the employees, and the bonus is based on the achievement of employee and departmental goals as well as the Company's operating performance.
4. Retirement system:
The Company fully complies with the provisions of the Labor Standards Law and the Labor Pension Regulations, and formulates relevant system measures for the retirement of employees, including those who</td><td>NIL.</td></tr>
</table>

Promotion Project	Implementation: Yes	Implementation: No	Implementation: Description	Differences and reasons for the code of practice on sustainability with listed OTPEs
with a safe and healthy working environment, and implement regular safety and health education for employees? (IV) Has the Company established effective career development training programs for employees? (V) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? (VI) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			have worked for more than 15 years and have reached the age of 55, those who have worked for more than 25 years, or those who have worked for more than 10 years and have reached the age of 60 can ask for retirement. The Company appropriates to pension fund of not less than 6% of the monthly salary according to the employee's insurance level, and has set up a Labor Retirement Reserve Supervision Committee to supervise the implementation and payment of pensions. (III) 1. The Company has introduced the ISO 45001 Occupational Health and Safety Management System to create a safe workplace and a healthy working environment through management policies and systems. The Company adheres to the spirit of continuous improvement in accordance with laws and regulations to maintain a safe working environment, carries out health consultation, health examination, health classification and management in the employee health management process to strengthen the health management awareness of employees to reduce the risk of occupational diseases, and organizes health promotion activities to keep abreast of the health status of employees. 2. The Company has obtained the "ISO 45001:2018" certification, which is valid from February 24, 2022 to February 24, 2025. And the Health Workplace Certification Health Promotion Label, which is valid from January 1, 2020 to December 31, 2022. 3. There were a total of 19 occupational accidents in 2022, of which 12 was in the factory (12 people involved in the occupational accidents, accounting for 1.1% of the total number of employees), including falling, tumble, contact with high temperature/low temperature, contact with hazardous objects, being hit, being clamped, being caught, and being cut. etc., all of which had been improved through protective measures and education training. In addition, there were a total of 7 off-site traffic occupational accidents (7 people involved in the occupational accidents, accounting for 0.66% of the total number of employees). The Company has strengthened the promotion of employees' traffic safety awareness and the concept of safety driving to reduce the frequency of traffic accidents. (IV) The Company attaches great importance to employee education and training as well as their career development. In addition to providing employees with management skill trainings such as enterprise management and factory management, in order to strengthen talent cultivation and supervisor training, systematic and continual curriculum training is planned to help enhance employees' ability and quality to improve the competitiveness of individuals and enterprise. (V) The Company complies with government regulations and industry standards to provide customers with products and services, and has established the "Customer Complaint Handling Methods" to deal with customer complaints. At the same time, in order to understand customer opinions and improve service quality, the Company conducts customer satisfaction surveys every year. The company website also set up a press office and feedback contact email, so that consumers or customers have a smooth feedback channel. (VI) Before joining, the new supplier is assessed according to the "Supplier Evaluation Form". In the evaluation mechanism,	

<table>
<tr><td rowspan="2">Promotion Project</td><td colspan="3">Implementation</td><td rowspan="2">Differences and reasons for the code of practice on sustainability with listed OTPEs</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td></td><td></td><td></td><td>the supplier's work environment, human rights and social responsibility assessment items are added to enhance the supplier's CSR awareness. The Company issued the "Everest Social Responsibility Standard Statement", proclaiming to suppliers and requiring suppliers to jointly abide by social responsibility norms, and disclose the implementation of supplier management and management results in the annual sustainability report and the Company's website.</td><td></td></tr>
<tr><td>V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its Sustainability Report to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?</td><td>V</td><td></td><td>Everest is good at fulfilling its corporate social responsibilities. Since 2011, it has voluntarily disclosed sustainability performance. The Company issues a corporate social responsibility report every year and continues to communicate with stakeholders. The CSR report editing team was responsible for the overall planning, communication and integration, data collection, editing and amendment of the "2022 Everest ESG Report", which was reviewed and amended by the editing team members and released upon approval by the President. This report has been externally assured by SGS Taiwan Limited in accordance with the core option requirements of GRI Standards.</td><td>NIL.</td></tr>
<tr><td colspan="5">VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations:
The Company refers to the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" to formulate its corporate social responsibility policies, implement information disclosure regarding corporate governance, sustainable environment development, public interest maintenance, and strengthening of corporate social responsibility. The Company has spared no efforts in participating community development, activities held by charitable organizations and local government agencies. There is no deviation as of today.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate better understanding of promotion of sustainable development:
(I) Pursue environmental sustainability with ecological restoration and respect for biodiversity, build Everest Ecological Industrial Park and Everest Natural Vegetable and Fruit Education Farm with the concept of green building, and promote it to local communities, hoping to become a sustainable agricultural education park and contribute to reducing global warming.
(II) In order to share Everest's innovative, sustainable, intelligent, and succinct actions and achievements, Everest Opens the Ecological Industrial Park to visitors; at the same time, it also opens its natural vegetable and fruit education farm, environmental protection brick factory, and MIT automated garment factory for visit. It is hoped to take this reality experience as a communication platform for industry and environmental education to promote the triple surplus concept of sustainability, allow visitors to witness the improvement process of transformation and innovation, sustainability, and smart green factory of the vertically integrated textile manufacturer in Taiwan textile industry.
(III) The self-owned apparel brand "Happy Taiwan EverSmile" allocates 1% of the monthly turnover as a public welfare fund.

Please refer to "Everest Textile Co., LTD." website at: http://www.everest.com.tw
Please refer to "Happy Taiwan EverSmile" website at: http://www.everest.com.tw</td></tr>
</table>

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof

<table>
<tr><th rowspan="2">Evaluate items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences in the Code of Conduct of Integrity with Listed Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>I. Establishment of ethical corporate management policies and programs
(I) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include preventive measures against the behaviors as stipulated in paragraph 2, Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?
(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</td><td>V</td><td></td><td>(I) The Company has formulated the "Code of Ethical Conduct" and the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors. In order to ensure the implementation, the Company has promoted the "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" to employees on its internal website, internal publications, factory signs, meetings and other channels, and implemented the concept of ethical corporate management in the daily business of all employees. In 2020, the Company adopted by the Board of Directors to amend the “Code of Business Integrity” and established the “Integrity Operating Procedures and Conduct Guidelines”.
(II) The Companyand its subsidiaries in the prevention of dishonest behavior programs, cover the following:
1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and standard amount of providing proper charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.
(III) In order to establish an honest corporate culture and prevent dishonest behaviors (including prohibiting insider trading), the Company aperiodically educates its employees and reminds its stakeholders to observe and respect the Company's moral and integrity standards. Amendments are regularly reviewed and disclosed on the Company's website (www.everest.com.tw).</td><td>No deviation</td></tr>
<tr><td>II. Implementation of Ethical Corporate Management
(I) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?
(III) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</td><td>V</td><td></td><td>(I) The Company's "Ethical Corporate Management Best Practice Principles" regulates that prior to any commercial transactions, the Company shall consider whether the legality of its agents, suppliers, clients, or other trading counterparts and their potential unethical conduct, and shall avoid dealing with persons having records of such unethical behaviors.
(II) The company has “moral code of conduct” and “integrity business code”, included in the staff regulations, the legal room to promote integrity management, a legal compliance group, in the quarterly compliance self-inspection, promote “corporate corruption self-assessment”, and the implementation will report quarterly to the board to fall Real enterprise integrity business philosophy. The Company reported on the implementation of the integrity operating system of the Board of Directors on November 08, 2022.
(III)
1. The Company adheres to the principle of zero malpractice. If any person takes advantage of his position, intends to seek his or others' improper benefits and causing the Company to suffer losses, he shall unconditionally compensate any loss suffered by the Company and be dismissed from his post.
2. If the Company's personnel violates the integrity</td><td>No deviation</td></tr>
</table>

(IV) Has the Company established an effective accounting system, internal control system to put ethical corporate management into practice? The internal audit unit shall draw up the relevant audit plan to audit the compliance of the prevention programs for unethical conduct according to the risk valuation results of the unethical conduct, or audited by CPAs? (V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?			management regulations, the Company will punish the person according to the severity of the circumstances and in accordance with the Company's rule for reward and punishment. 3. The Company has set up an appeal system to provide remedies for those who violate this Code to appeal in accordance with relevant regulations. (IV) The Company has set up a rigorous accounting system and responsible accounting department. To ensure the accuracy and transparency of financial information, financial statements are all reviewed or audited by CPAs in accordance with regulations and are announced and published accordingly. In order to implement the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Ethical Corporate Management Best Practice Principles", the Company has set up the internal audit department and related internal control system, which regularly inspects and modifies its effectiveness, reviews compliance of the system, prepares audit reports and submits the reports to the Board of Directors. (V) In order to establish an honest corporate culture and prevent dishonest behaviors (including prohibiting insider trading), the Company launched e-courses in 2022 to educate its employees and reminds its stakeholders to observe and respect the Company's moral and integrity standards. Related operating procedures and guidelines and other provisions are publicly disclosed on the Company's website. (www.everest.com.tw)。	
III. Operation of the Whistle-blowing System (I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (III) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(I) 1. The Company has multiple communication channels for stakeholders to report corruption and other illegal acts, and has an independent investigation mechanism to investigate and report them. The company's telephone number and mail are public information and can be used by the reporter. The company's suppliers, customers and stakeholders can use the joint mining center supplier group, department contact window or audit committee mailbox and audit office mailbox. The relevant contact information is disclosed on the company's website (www.everest.com.tw) Stakeholder Zone. 2. The Company will still audit the items and scope of the operations that may be involved in the complaint against complaints about the disadvantages of procurement that have not been explicitly stated in the facts. Suggestions for improvement are made if internal control defects or management problems are identified, and penalties if significant negligence or improper conduct is found. (II) The Company has “Report and Corrective Measures for Violating Ethics and Integrity Management”, which includes reporting procedures, investigation procedures, investigation follow-up measures, and related confidentiality systems. (III) According to the Company's Code of Ethics, the Company will keep the identity of the investigator and the content of the report confidential in order to protect the reportant from improper disposal, and all reporting matters are verified by independent channels to protect the reporting person.	No deviation
IV. Strengthening information disclosure Has the Company disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	V		The Company has established its English and Chinese corporate website to disclose the Ethical Corporate Management Best Practice Principles of the Company and relevant information.	No deviation
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the implementation and any deviation from the Principles:				
VI. The Company adheres to the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and relevant regulations in relation to the TWSE/GTSM listed companies and other related business law and regulations, as its foundation for ethical corporate management. The Company has added important information such as code of integrity in the procurement system to ensure supplier compliance, and to allow vendors a smooth channel to address grievances in the event of any infringement of rights or interests during the process of procurement. The highest ethical standard is held no matter for the internal employees and external partners. Any illegal action such as bribery by suppliers or from employees will be prosecuted by law.				

(VII) The Company has provided channels for inquiries of the Corporate Governance Best Practice Principles and related regulations: the Company's website: www.everest.com.tw and Public Information Observatory: mops.twse.com.tw

(VIII) Other information enabling better understanding of the Company's corporate governance:

1. The directors of the Company uphold a high degree of self-discipline, have an interest in the board of directors or the legal persons on their behalf, and are avoided during discussion and voting. The Company's internal auditor also regularly checks the accounting system and internal control system compliance, and reports to the Board of Directors. The company's business philosophy is to win in learning, win in change, and also as every distant person pursues the concept.
2. Employee rights and benefits, employee care: (Please refer to page 67).
3. Investor Relations, Supplier Relations and Stakeholder Rights: (Please refer to page 27).
4. Risk Management Policy and Implementation of Risk Measures: (Please refer to page 82)
   (1) Organizational structure of risk management:
      A. The risk warning system examines the risk items covered in the business by each administrative unit, filtered out the most important risk items, and then set specific and traceable leading indicators and countermeasures according to the risk items. The staff is responsible for the management department monthly risk management meeting, cross-departmental review of performance, continuous dynamic improvement and optimization. The Company established a risk management policy through the Board of Directors in 2022.
      B. Set up “Letting Committee”: audit the credit status of internal and export customers, and according to the credit limit, implement the control of credit and receivables of customers to achieve the annual “zero back-down” management goal.
      C. Establishment of the Information Security Steering Committee: responsible for the practical promotion and coordination of various information security issues.
   (2) The Company approved the “Procedures for Reporting Major Information Inside” in the 3th session of the 8th term on 29 December 2009 . And carry out the following advocacy:
      A. Upon the signing of declaration letter by newly joined managers, a copy of "Operating procedure for material inside information declaration" is provided.
      B. Announcing “internal major information reporting operating procedures” and insider trading laws and regulations to managers when reporting equity transactions.
      C. Confidentiality agreements are signed by managers and employees of the Company upon coming on board. The Company also makes announcements of the "Operating procedure for material inside information declaration" to the employees.
5. Enforcement of Customer Policies: (Please refer to page 36)
6. When the company purchases liability insurance for directors and supervisors: The company insures all directors to reduce the legal risk and financial liability of the company directors, to protect the possible damage due to executive duties. (Report to the Board of Directors 2023.04.27)
7. Related certifications obtained from the relevant competent authorities by personnel of the Company involved with the transparency of financial information.

Certifications	Number of Shareholders
Land administration agent	1
Senior Securities Dealer	2
Securities Business Clerk	1
Futures Business Clerk	1
Trust Staff	2
Casualty Insurance Sales	1
Internal control personnel	1

8. Continuing education of managers:

Trainee		Course	Host Institution	Number of Hours
Vice President (Head of Corporate Governance)	Wen Kui Hsiang	2022 Annual Preventing Insider Trading Promotion Meeting	Securities and Futures Market Development Foundation	3
		Guidelines on the exercise of powers of independent directors and audit committees and directors supervision	Taiwan Stock Exchange Corporation	3
		2022 annual insider equity trading legal compliance promotion meeting	Securities and Futures Market Development Foundation	3
		The era of change explores the core competitiveness of the next generation	Taiwan Board of Directors Association	3
		Corporate Governance Lecture - The Russian-Russian War on Taiwan	Taiwan Academy of Banking and Finance	3

Trainee		Course	Host Institution	Number of Hours
		ESG Governance — From Knowing to Done	Taiwan Corporate Governance Association	3
Head of Internal Audit	Jiang Yi-Chen	The company's initial internal auditor Pre-service Training Workshop	The Institute of Internal Auditors-Chinese Taiwan	24
		Risk-Oriented Internal Audit Methodology and Practice		
Accounting Manager	Mei Hsiu Huang	Continuing Education and Training for Accounting Managers	National Cheng Kung University	12

9. Continuing education of Directors and Supervisors:

Name	Training Date		Organizer	Course Name	Training Hours
	Start Date	End Date			
Charles Wang	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
Shiou Chung Chen	2022/10/25	2022/10/25	Chinese Association for Corporate Management and Sustainable Development	Difficulties and Challenges of the Independent Director System	3hrs
	2022/10/14	2022/10/14	Securities and Futures Market Development Foundation	2022 Annual Preventing Insider Trading Promotion Meeting	3hrs
	2022/10/07	2022/10/07	Chinese Association for Corporate Management and Sustainable Development	Shareholders' Meeting Resolutions Invalidation and Rescission of Litigation Practice	3hrs
Douglas Tong Hsu	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
Johnny Hih	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
	2022/08/03	2022/08/03	Taiwan Corporate Governance Association	The Bureau of Investigation Bureau - Corporate Greed Thinking, Detective Office Experience and Case Sharing	3hrs
Wen Kui Hsiang	2022/10/21	2022/10/21	Securities and Futures Market Development Foundation	2022 Annual Preventing Insider Trading Promotion Meeting	3hrs
	2022/10/07	2022/10/07	Taiwan Stock Exchange Corporation	Guidelines on the exercise of powers of independent directors and audit committees and directors supervision	3hrs
	2022/10/05	2022/10/05	Securities and Futures Market Development Foundation	2022 annual insider equity trading legal compliance promotion meeting	3hrs
	2022/08/24	2022/08/24	Taiwan Board of Directors Association	The era of change explores the core competitiveness of the next generation	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
	2022/08/16	2022/08/16	Taiwan Corporate Governance Association	ESG Governance — From Knowing to Done	3hrs
Haw Sheng Lin	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/10/12	2022/10/12	Securities and Futures Market Development Foundation	2022 annual insider equity trading legal compliance promotion meeting	3hrs
	2022/10/07	2022/10/07	Taiwan Stock Exchange Corporation	Guidelines on the exercise of powers of independent directors and audit committees and directors supervision	3hrs

Name	Training Date		Organizer	Course Name	Training Hours
	Start Date	End Date			
Ching Lai Yeh	2022/10/14	2022/10/14	Securities and Futures Market Development Foundation	2022 Annual Preventing Insider Trading Promotion Meeting	3hrs
	2022/10/05	2022/10/05	Securities and Futures Market Development Foundation	2022 annual insider equity trading legal compliance promotion meeting	3hrs
Yin Chi Chuang	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
	2022/08/09	2022/08/09	Taiwan Board of Directors Association	New Economy in the Post-Converge Era	3hrs
	2022/08/05	2022/08/05	Taiwan Corporate Governance Association	Compliance with Company Directors' Supervisory Obligations	3hrs
	2022/06/27	2022/06/27	Taiwan Corporate Governance Association	Assessment and execution of investment mergers and acquisitions from the legal point of view	3hrs
Shou Chun Yeh	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/10/21	2022/10/21	Securities and Futures Market Development Foundation	2022 Annual Preventing Insider Trading Promotion Meeting	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
Jen Fa Chen	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs
Kao Shan Wu	2022/12/21	2022/12/21	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series - Insights into Future Talent from Global Trends	3hrs
	2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - The Russian-Russian War on Taiwan	3hrs

(IX) The following matters shall be disclosed for the implementation status of the internal control system:

1. Statement of Internal Control

Everest Textile Co., Ltd.

Statement of Internal Control System

Date: March 09, 2023

Based on the Findings of self-assessment, the Company certifies the following with regard to internal control system during the year of 2022:

I. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. The internal control system has innate limitations. No matter how robust and effective the internal control system is, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.

III. The Company makes judgments on whether the design and implementation of the internal control system are effective in accordance with the judgments items of effectiveness of internal control system specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "the Regulations"). The internal control system judgment items used in the “processing criteria” are divided into five components according to the management control process: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervise operations. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.

IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.

V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2021, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.

VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors on March 9, 2023, and none of the 11 Directors in attendance objected to it and all consented to the content expressed in this statement.

Everest Textile Co., Ltd.

Chairman: Johnny Hih SIGNATLES
Genersl Manager: SIGNATLES
Ching Lai Yeh

2. Accountant review report: The company does not commission the accountant project to review the internal control, so it is not applicable.

(X) Penalties imposed upon the Company and its employees in accordance with the law, penalties imposed by the Company upon its employees for the violation of the internal control system, principal deficiencies, and improvement status during the most recent fiscal year and up to the date of publication of the Annual Report:

(XI) Major resolutions of shareholders' meeting and board meetings during the most recent fiscal year up to the date of publication of the annual report

1. Summary of Shareholders' meeting agenda

Date of Shareholders' Meeting	Material Resolutions	Implementation
June 16, 2022	Report Items 1. 2021 Business Report 2. The Company's 2021 Audit Committee Review Report 3. Report on the Sound Operation Plan of the Company 4. Annual remuneration for directors and employees for 2021 5. Amendments to the Company's Corporate Sustainability Policy report	Not applicable.
	Acknowledgments 1. Approval of 2021 final accounts 2. Approved the Earnings Distribution for 2021	Resolved not to pay a dividend
	Items to Discuss 1. Amendments to the Company's Articles of Association 2. Approved the amendments to part of the articles of the Company's "Procedures for Acquisition and Disposal of Assets" 3. Approved the amendments to part of the articles of the Company's "Procedures for Loaning Funds to Others" and "Procedures for making endorsements/guarantees" 4. Approved the amendments to part of the articles of the Company's "Rules for Election of Directors" 5. Approved the amendments to the "Rules for Procedures of Shareholders' Meeting"	Executed in accordance with the resolution of the shareholders' meeting.

2. Summary of proposals in the Board of Directors meetings

Term of the Meeting	Time of the Meeting	Material Resolutions
5th Session of the 12th Term	March 3, 2022	1. Approved the credit line contracts between the Company and financial institutions 2. Approved the Company's proposal to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions 3. Approved the 2021 parent company only and consolidated financial statements 4. Approved the Earnings Distribution for 2021 5. Approved the annual remuneration for directors and employees for 2021 6. Approved the amendments to the Articles of Association 7. Approved the amendments to part of the articles of the Company's "Procedures for Acquisition and Disposal of Assets" 8. Approved the amendments to part of the articles of the Company's "Procedures for Loaning Funds to Others" and "Procedures for making endorsements/guarantees" 9. Approved the amendments to part of the articles of the Company's "Rules for Election of Directors" 10. Approved matters in relation to 2022 Shareholders' meeting such as date, acceptance of shareholder motions, and related procedures 11. Approved the 2022 operation budget 12. Approved the 2022 capital expenditure (including subsidiaries) 13. Approved the appointment and dismissal of managers and above 14. Approved the 2021 Statement of Internal Control 15. Approved the establishment of the Company's internal audit system of "Procedures for Acquisition and Disposal of Assets"
6th Session of the 12th Term	May 6, 2022	1. Approved the credit line contracts between the Company and financial institutions 2. Approved the consolidated financial statements for 2022 Q1 3. Approved the 2021 Business Report 4. Approved the amendments to the "Rules for Procedures of Shareholders' Meeting" 5. Approved the amendments to part of the articles of the Company's "Corporate Sustainability Policy"
7th Session of the 12th Term	August 9, 2022	1. Approved the credit line contracts between the Company and financial institutions 2. Approved the Company's proposal to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions 3. Disposition of Far Silver Shares 4. Approved the consolidated financial statements for 2022 Q2 5. Through the company's agent spokesperson transaction case 6. Approved the appointment and dismissal of managers and above
		1. Approved the credit line contracts between the Company and financial institutions 2. Approved the Company's proposal to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions 3. By formulate or amend the “funds' loan and others operating procedures” and “endorsement

Term of the Meeting	Time of the Meeting	Material Resolutions
8th Session of the 12th Term	November 8, 2022	guarantee operating procedures" for subsidiaries 4. Approved the consolidated financial statements for 2022 Q3 5. Passed the company's internal audit supervisor of the transaction 6. Approved the amendments to the "Rules for Procedures of Shareholders' Meeting" 7. Amend some of the provisions of the Company's "Procedures for Handling Important Information" in conjunction with the addition of the "Internal Audit System" 8. Through the addition of the Company's "Enterprise Risk Management Policy" 9. Through the company's "sustainability report preparation and verification procedures", in conjunction with the addition of the "internal audit system" 10. Approved the 2023 Audit Plan
9th Session of the 12th Term	March 9, 2023	1. Approved the credit line contracts between the Company and financial institutions 2. Approved the Company's proposal to provide endorsement /guarantee for the financing amount of its subsidiaries with financial institutions 3. Approved the annual remuneration for directors and employees for 2022 4. Approved the 2022 parent company only and consolidated financial statements 5. Approved the Earnings Distribution for 2022 6. Approved matters in relation to 20223Shareholders' meeting such as date, acceptance of shareholder motions, and related procedures 7. Approved the 2023 operation budget 8. Approved the 2023 capital expenditure 9. Passed the Company's capital loan and subsidiary Everest USA Limited case 10. Approved the 2022 Statement of Internal Control

(VII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the board of directors during the most recent year and up to the date of publication of this annual report:

(VIII) A summary of resignations and dismissals of the Company's Chairman, President, accounting manager, finance manager, chief internal auditor, or research and development officer during the most recent fiscal year and up to the date of publication of the Annual Report:

April 11, 2023

Title	Name	Date of Inauguration	Date of decommission	Reason for resignation or resignation
Head of Internal Audit	Huang Chang Huang	2017.04.16	2022.09.30	Personal Career and Life Planning

IV. Information About CPA Professional Fee

(I) Information on CPA Professional Fees

CPA firm	Name of CPA		Audit period	Remarks
Deloitte & Touche	Lou Liao	Li Yuan Guo	2022.01.01-2022.12.31	

Unit: in Thousand NTD

Range of fees \ Category of fees		Audit fee	Non-Audit Fee	Total
1	Less than NT$2,000 thousand		580	580
2	NT$2,000 thousand (inclusive) ~ NT$4,000 thousand			
3	NT$4,000 thousand (inclusive) ~ NT$6,000 thousand			
4	NT$6,000 thousand (inclusive) ~ NT$8,000 thousand	6,360		6,360
5	NT$8,000 thousand (inclusive) ~ NT$10,000 thousand			
6	Above NT$10,000 thousand (inclusive)			

Unit: in Thousand NTD

CPA firm	Name of CPA		Audit fee	Non-Audit Fee					Total	Audit Period	Remarks
				Design of System	Business Registration	Human Resources	Others (Note)	Subtotal			
Deloitte Zhongxin & Joint CPA	Lou Liao	Li Yuan Guo	6,360	-	-	-	580	580	6,940	2022.01.01~ 2022.12.31	

Note: For transfer pricing fee, public fee for the Group's master report in 2022

(II) Change of CPA firm and the audit fees at the year of the change is less than the prior year: None

(III) Change of CPA firm:

(IV) Audit fees were 10% less than that of the previous year:

V. Information on Replacement of CPAs:

VI. Information About Chairman, President, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliate to Said Firm in the Most Recent Year:

VII. Transfer of shareholdings of directors, managers and shareholdings of more than 10% of shareholders and changes in equity pledge:

(I) Changes in equity of directors, managerial officers, and major shareholders

Title	Name	2022		Current Fiscal Year up to April 11, 2023	
		Increase (decrease) number of shares held	Increase (decrease) number of pledged shares	Increase (decrease) number of shares held	Increase (decrease) number of pledged shares
Chairman Representative	Da Ju Fiber Co., Ltd. Johnny Hih	-	- -	- -	- -
Director Representative	Yue Ding Industry Co., Ltd. Ching Lai Yeh	-	- -	- -	- -
Director Representative	Shuo Quan Co., Ltd. Shou Chun Yeh	-	- -	- -	- -
Director Representative Representative Representative	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu Kao Shan Wu Eric Hu	-	- - - -	- - - -	- - - -
Director Representative Representative	Yu Yuan Investment Co., Ltd. Charles Wang Haw Sheng Lin	-	- - -	- - -	- - -
Independent director	Shiou Chung Chen	-	-	-	-
Independent director	Jen Fa Chen	-	-	-	-
Independent director	Yin Chi Chuang	-	-	-	-
President	Ching Lai Yeh	-	-	-	-
Vice President	Sen Mao Wu	-	-	-	-
Vice President	Wen Kui Hsiang	-	-	-	-
Vice President	Hsien Shen Hung	-	-	-	-
Vice President	Ming Yi Hsiao	-	-	-	-
Vice President	Chin Liang Chen	-	-	-	-
Vice President	Shih Jung Lin	-	-	-	-
Vice President	Mei Na Liu	-	-	-	-
Director	Hui Min Cheng	-	-	-	-
Director	Wen Chin Yeh	-	-	-	-
Director	Ping Liang Chen	-	-	-	-

Title	Name	2022		Current Fiscal Year up to April 11, 2023	
		Increase (decrease) number of shares held	Increase (decrease) number of pledged shares	Increase (decrease) number of shares held	Increase (decrease) number of pledged shares
Director	Tung Sheng Hung	-	-	-	-
Director	Chin Li Kao	-	-	(8,000)	-
Director	Yi Cheng Tseng	-	-	-	-
Director	Huang Shan Lin	-	-	-	-
Director	Ting Hua Hung (concurrently serves as finance manager)	-	-	-	-
Director	Chao Li Li	-	-	-	-
Director	Ju Wen Ting	-	-	-	-
Director	Tai Kan Fai	-	-	2,000	-
Accounting Manager	Mei Hsiu Huang	-	-	-	-

(II) Ownership Transfer Information: Not Applicable

(III) Information on Staking: Not applicable

VIII.Relationship among the Top Ten Shareholders:

April 11, 2023

Name	Shares held by Shareholders		Shares Held by Spouse & Minors		Shares Held by Nominees		Top ten shareholders who have related party relationship defined by TIFRS No.6 between each other, the name and relationship		Major Corporate Shareholder
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Name	Relationship	
Yuan Ding Investment Co., Ltd. Chairman: Xu Xudong	164,613,745	23.70%	0	0	0	0	Oriental Union Chemical Corporation Yu Yuan Investment Co., Ltd.	Same Chairman Subsidiary of Far Eastern New Century Corporation	Please refer to page 13
Everest International Develop Investment Co., Ltd. Chairman: Wang Jia-Chung	20,177,533	2.90%	0	0	0	0	NIL.	NIL.	Not applicable.
Fu Ming Transportation Co., Ltd. Chairman: Johnny Hih	18,314,020	2.64%	0	0	0	0	NIL.	NIL.	Not applicable.
Yu Yuan Investment Co., Ltd. Chairman: Chen Chunming	16,366,066	2.36%	0	0	0	0	Yuan Ding Investment Co., Ltd.	Are all 100% owned subsidiary of Far Eastern New Century Corporation	Please refer to page 13
Oriental Union Chemical Corporation Chairman: Xu Xudong	16,040,145	2.31%	0	0	0	0	Yuan Ding Investment Co., Ltd. Ton Fu Investment Corp.	Same Chairman Holds 100% shares of Ton Fu Investment	Not applicable.
Ton Fu Investment Corp. Chairman: Cheng Cheng-yu	14,580,194	2.10%	0	0	0	0	Oriental Union Chemical Corporation	100% shares are held by Oriental Union Chemical Corporation	Please refer to page 13
Jui Hsing International Investment Co., Ltd. Chairman: Ying-Nan Zhuang	13,253,698	1.91%	0	0	0	0	NIL.	NIL.	Not applicable.
Yuan Tong Investment Co., Ltd. Chairman: Wong Kin Shing	6,544,415	0.94%	0	0	0	0	NIL.	NIL.	Not applicable.
Ding Yuan International Investment Co., Ltd. Chairman: Min-Hsiung Tsai	6,446,901	0.93%	0	0	0	0	NIL.	NIL.	Not applicable.
Citibank (Taiwan) Commercial Bank Investment Account	6,210,460	0.89%	0	0	0	0	NIL.	NIL.	Not applicable.

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Managers, and any Companies Controlled Either Directly or Indirectly by the Company

April 11, 2023

Investee	Investment by the Company		Investment by Directors, Managerial Officers, and Entities either Directly or Indirectly Controlled by the Company		Total Investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
Everest Investment (Holding) Ltd	1,300	100.00	0	0.00	1,300	100.00
Everest International Develop Investment Co., Ltd.	191,400,000	100.00	0	0.00	191,400,000	100.00
Jin Lead Industrial Co., Ltd.	526,800	19.00	719,520	25.96	1,246,320	44.96
Everest Textile (HK) Co., Ltd.	695,000	99.30	5,000	0.70	700,000	100.00
Dah Chung Bills Finance Corp.	1,204	0.00	0	0.00	1,204	0.00

I. Capital and Shares

(I) Source of capital

1. Source of capital

Unit: thousand yuan, thousand shares

Time	Issuance Price (NTD) ($)	Authorized Capital		Paid-in Capital		Remarks				
						Source of capital			Capital Increase by Assets other than Cash	Others
		Shares	Amount	Shares	Amount	Cash	Earnings	Capital Reserve		
2018	10	560,000	5,600,000	499,837	4,998,374	-	98,007	-	NIL.	NIL.
2019	10	560,000	5,600,000	509,834	5,098,341	-	99,967	-	NIL.	NIL.
2020	10	560,000	5,600,000	509,834	5,098,341	-	-	-	NIL.	NIL.
2021	10	800,000	8,000,000	694,643	6,946,434	-	-	-	NIL.	NIL.
2022	10	800,000	8,000,000	694,643	6,946,434	-	-	-	NIL.	NIL.

Note: Equity change in recent five years.

Unit: Thousand shares

Type of Shares	Authorized Capital			Remarks
	Outstanding Shares (Listed)	Unissued Shares	Total	
Ordinary Shares	694,643	105,357	800,000	NIL.

(II) Information About Shelf Registration System:

(III) Shareholder Structure

Base date: April 11, 112

Shareholder Structure / Quantity	Government Agency	Financial Institutions	Other Institutional Shareholders	Individuals	Foreign Institutions and Foreigners	Total
Number of Shareholders	6	0	75	33,698	63	33,842
Shareholdings	107	0	326,631,724	348,965,778	19,045,875	694,643,484
Shareholding %	0.00%	0.00%	47.02%	50.24%	2.74%	100%

Primary listing (TPEx) Company and TPEx Emerging Stock should disclose Mainland Chinese shareholding percentage (Mainland Chinese shareholding refers to the shares or capital in a foreign issuer are directly or indirectly held by mainland Chinese, legal entities, organizations or any other institute from mainland China, or any shareholder with influential power over such foreign issuer are mainland people, legal entities, organizations or any other institute from mainland China as set out in Article 3 of Measures for Investment Licenses from Mainland China to Taiwan):

(IV) Distribution Profile of Share Ownership

April 11, 2023

Range of Number of Shares	Number of Shareholders	Shareholdings	Shareholding %
1~999	12,072	4,140,438	0.60%
1,000~5,000	13,742	34,422,087	4.96%
5,001~10,000	3,245	25,109,657	3.61%
10,001~15,000	1,198	15,055,966	2.17%
15,001~20,000	930	16,578,809	2.39%
20,001~30,000	783	19,831,330	2.85%
30,001~40,000	423	14,908,562	2.15%
40,001~50,000	305	13,943,895	2.01%
50,001~100,000	562	39,061,894	5.62%
100,001~200,000	307	43,471,489	6.26%
200,001~400,000	139	38,602,212	5.56%
400,001~600,000	44	21,820,857	3.14%
600,001~800,000	17	11,630,650	1.67%
800,001~1,000,000	18	17,040,820	2.45%
1,000,001 or more	57	379,024,818	54.56%
Total	33,842	694,643,484	100%

(V) Special Shares: None.

(VI) Major Shareholders

April 11, 2023

Shareholding / Shareholder's name	Shareholdings	Shareholding %
Yuan Ding Investment Co., Ltd.	164,613,745	23.70%
Everest International Develop Investment Co., Ltd.	20,177,533	2.90%
Fu Ming Transportation Co., Ltd.	18,314,020	2.64%
Yu Yuan Investment Co., Ltd.	16,366,066	2.36%
Oriental Union Chemical Corporation	16,040,145	2.31%
Ton Fu Investment Corp.	14,580,194	2.10%
Juei Hsing International Enterprise Co., Ltd.	13,253,698	1.91%
Yuan Tong Investment Co., Ltd.	6,544,415	0.94%
Ding Yuan International Investment Co., Ltd.	6,446,901	0.93%
Citibank (Taiwan) Commercial Bank Investment Account	6,210,460	0.89%

(VII) Market Price, Net Worth, Earnings, and Dividends Per Common Share and Related Information for the Recent Two Years

Unit: in Thousand NT Dollars

Year / Item			2021	2022	As of March 31, 2023
Market Price Per Share	Highest		14.5	9.65	7.99
	Lowest		7.59	7.02	7.03
	Average		10.07	7.95	7.31
Net Worth Per Share	Before distribution		10.11	10.46	10.18
	After distribution		10.11	(Note 1)	-
Earnings Per Share (Note 2)	Weighted Average Shares (Thousand Shares)		462,800	674,465	674,465
	Before Adjustment		0.39	0.03	0.01
	After Adjustment		0.39	(Note 1)	-
Dividends Per Share	Cash Dividends		-	-	Not applicable
	Stock Dividend	Dividends from Retained Earnings	NIL.	NIL.	Not applicable
		Dividends from Capital Surplus	NIL.	NIL.	Not applicable
	Accumulated Undistributed Dividend		NIL.	NIL.	Not applicable
Investment Return Analysis	Price/Earnings Ratio	(Note 3)	25.82	265	Not applicable
	Price/Dividend Ratio	(Note 4)	Not applicable	Not applicable	Not applicable
	Cash Dividend Yield Rate %	(Note 5)	-	-	-

Note 1. The proposal distribution of the year's (2023) profits will be determined after resolution at the upcoming Annual General Shareholader Meeting.

Note 2. Calculated based on the weighted average of shares outstanding in the current year, and retroactively adjusting the number of outstanding shares issued in the next year due to capital increase by retained earnings or capital surplus.

Note 3. Price/earnings ratio = Average closing price per share for the year/Earnings per share.

Note 4. Price/dividend ratio = Average closing price per share for the year/Cash dividend per share.

Note 5. Cash dividend yield = Cash dividend per share/Average closing price per share for the year.

(VIII) Company's dividend policy and implementation thereof

1. If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriate special reserve, in accordance with the Securities and Exchange Act. Then, the remaining net earnings after special reserve can be distributed along with accumulated unappropriated retained earnings from the year prior. The surplus may be partly reserved according to business situation, and the shareholder dividends will be distributed equally based on number of shares. However, in the event of an increase in capital, the dividends for the newly added shares of the year shall be handled in accordance with the resolution of the Shareholders' meeting. Dividends of the Company shall take into account the characteristics of changing business conditions, consider the impact of the life cycle of each product or service on future capital needs and taxation, and distribute them under the goal of maintaining a stable dividend. Unless there is a need for capital for improving financial structure, preparing for investment, capacity expansion, or other material capital expenditure, the distribution of dividends shall be no less than 50% of current year net profit after tax after offsetting prior year loss and appropriating legal reserve and special reserve. The cash portion shall not be less than 10% of the current year's dividends.
2. Distribution of dividends proposed at the most recent Shareholders' Meeting: No dividend will be distributed for 2022.

(IX) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent Shareholders' meeting:

(X) Compensation to Directors and Profit Sharing Bonus to Employees:

1. Proportion or scope of employee profit sharing bonus and compensation to Directors as stated in the Company's Articles of Association.
   If there is a profit of the Company for the year, two to three percent should be allocated. 5 for employee remuneration, and not more than 2%. Five for the remuneration of directors. When there is accumulated loss, the Company shall first offset the loss.
2. The basis for estimating the amount of employee profit sharing bonus and compensation to Directors, for calculating the number of shares to be distributed, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
3. Distribution of remuneration for the year approved by the Board of Directors:
   Relevant information on remuneration to employees, directors and supervisors adopted by the resolution of the Board of Directors on March 9, 2023 is as follows:
   (1) Distribution of cash compensation for employees and remuneration to directors and supervisors: The remuneration of employees was NT$906 thousand (paid in cash), and the remuneration of directors will not be distributed.
   (2) For the amount of any employee compensation distributed in cash or stocks and remuneration to directors, if there is any discrepancy between such amount and the estimated figure for the fiscal year when expenses are recognized, the deviation, its cause, and the status of treatment shall be disclosed:
   (3) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration:
4. The actual distribution of employee profit sharing bonus and compensation to Directors in the previous year (2021) are as follows: Not applicable.

(XI) Share Repurchases:

II. Bonds (including colonial bond):

III. Issuance of Preferred Shares:

IV. Issuance of Global Depository Receipts:

V. Employee Share Subscription Warrants:

VI. New Restricted Employee Shares:

VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:

VIII. Implementation of the Company's Capital Utilization Plan:

I. Business Activities

(I) Business Scope

1. Principal business activities and revenue distribution

Main Products	Proportion of Business in 2022
Fabric	84%
Textured Yarn	8%
Others	8%
Total	100%

2. Current products and new products planned for development:

(1) Special polyester textured yarn, LYCRA covered yarn, Marine recycled polyester fiber, Graphene fiber, wear-resistant polyester fiber, Oyster shell powder fiber, Ultra-fine fibers and ultra-light fabrics, Functional high-density fabric, Filament and Staple blended fabric, Smart memory fabric, Filament dyed fabric, Recycled polyester fiber elastic cloth, Recycled NYLON fiber elastic cloth, Cordura wear resistant elastic cloth, T-400 composite elastic cloth, Staple dyed fabric, Pinacell staple fiber Products, Tencel Staple fiber products, Abacell staple fiber products, Bamboo carbon fiber staple fiber products, Oyster shell yarn Y/D products, Umorfil Y/D products, Yarn dyed seamless garment, Computer jacquard knitted fabric, High-elasticity knitted fabric, Environmental protection series knitted fabric, Knitted functional fit fabric, High waterproof and breathable lamination, Ultra-thin lamination fabric, AIR FLOW lamination fabric, Washable super water repellent fabric, Graphene film lamination products, Water-based Polar Bear products, Low impedance conductive film, Rendering printing series products, Digital flocking printing products, Biodegradable Soft Shell, Bio-based Soft Shell, 25k/35k high functional Soft Shell, Flame Retardant Film, mask, Surgical clothing, Coverall, Protective wear, Ice plant multi-color tie dye printing series, Hot foil stamp aurora film series, Digital printing development module series, Composite flash film printing series, Recycle Dope Dyed high visible polyester, Unmelt fire retardant polyester resin, Industrial fire retardant cloth products, Anti-bacteria series products, Anti-virus products, Water-based waterproof and moisture permeable products, Hydrophobic PU thin coating and Deodorant products.

(2) New products planned to develop: environmental carbon capture polyester products, environmental oyster shell yarn products, environmental water chestnut products, fine single nylon products, antimicrobial polyester products, bio-spandex fabric, slag regenerated far-infrared fiber, silver acacia bio-carbon fiber, flame retardant PVDF fiber, wear-resistant polyester, gas Gel Polyester, Biodegradable Polyester, High Visual Flame Retardant Fiber, Cordura Abrasion Resistant Fabric, Wool-like Fit Fabric, High Gross Seamless, Special Jacquard Fleece, Acteev Zinc Oxide Long Staple FiberBlended Knit Fabric, Eco-Friendly Smart Functional Knit Fabric, Thick High Stretch Knit Fabric, Lightweight Laminated Fabric, Short Fiber Composite Mechanical Stretch Knitting Products, Acacia Fiber Fabrics, Eco Functional Seamless, Zinc Oxide Doped Doped Yarn Knitted Products, Health Composite Product Development, Green Carbon Capture Waterproof and Breathable Products, Water Sexual Waterproof and Breathable Products, Eco-Friendly Oyster Shell Waterproof and Breathable Products, Wacia Waterproof and Breathable Products, Bio-Based Water Stop, High-Solid Solvent-free Film, Dry Waterproof High Breathable Moisture Permeable Film (A1), Eco Microporous Soft Shell, ECOVERO Staple Fiber Products, Carbon Capture Products, Zero Carbon Modal Rayon Staple Fiber Products, GREENMINT Staple Fiber Products, Cotton/Cordura Interwoven & Blended Tooling Products, Fluorine Free Water Repellent & Oil Repellent Products, Natural Antimicrobial Products, Non-metallic Antimicrobial Products, Water-based Sublimation Printing, Eco-Friendly Waterborne Dye Digital Printing, Special Offset effect products, special reflective effect products, special hot stamping effect, special flocking printing, composite special printing processing series.

(II) Industry Overview

1. Current Situationand Development of the Industry

Manufacturing activity has slowed significantly since 2022 to curb inflation since 2022, coupled with variables such as the unsolved Russian-Russian war and the resurrection of US-China science and technology war, the global economic outlook continues to deepen concerns, so the major international forecasting agencies believe that global economic growth in 2023 is slower than in 2022. Further affecting Taiwan's import, export and investment performance, fortunately, the local epidemic impact has been reduced, government related prevention and control measures are greatly opened, domestic consumption and related industries have improved performance, making the economic support from export to domestic demand, thus Taiwan's economic performance is stable and economic performance in 2023 Growth depends mainly on civil consumption support, so the continued development of the overall textile industry is expected to pick up.

2. Relationship between upstream, midstream and downstream of the industry

Textile industry is a daily necessity industry. At the top of the industrial chain is the chemical fiber manufacturing industry, which uses raw materials from the petrochemical industry, processes them into silk. The midstream is natural fiber and chemical fiber spinning and false texturing processing, weaving and dyeing. And the downstream is the manufacturing of textiles for garment, apparel, and curtains. Please refer to pages 58-65 for the relationship between upstream, midstream and downstream of the industry.

3. Product development trends and competition

Carbon neutrality, energy saving and carbon reduction become the main criteria for the selection of global apparel factory suppliers. The main focus of the textile industry focuses on environmental protection, functional applications, personal protection, smart textiles, and smart manufacturing. Among them, “sustainable environment+function” is the pulse of the global textile market and new consumer trends. Suppliers and brands are actively building a green supply chain combining sustainable environmental protection and functionality. In recent years, textile industry has used innovative technologies to develop materials with product functionality in order to meet customer needs and order. Faced with the development and competition of the sustainable economy of the global textile industry, Taiwan's textile industry should consider systematically how the textile industry can diversify the feasibility of sustainable development, creating a broader future business opportunities and feedback.

(III) Research and Development

1. Research and development expenditure: NT$238,475 thousand in 2022, and NT$57,755 thousand in the first quarter of 2023. It is expected to invest 3~4% of revenue in R&D in 2023.

2. Successfully developed technologies or new products are as follows

Ever E2000 Eco Made、Ever Recycle Finishing Net、Ever Tide-Ocean Recycle、Ever Recycle Solar Free、Ever Sunex-Heat Emitting、Ever Heiq Smart Temp、Ever Bio-based Rain Wear、Ever ScrapFil、Ever Fusion Flannel、Ever Re-preconsumer、Ever Work Wear、Ever Knit Soft Shell、Ever Umorfil Knit、Ever Seawool Knit、Ever Water caltrop shell Knit、Ever Acteev Knit、Ever CCU PET Knit、Ever 5 Layer Knit、Ever i-Fiber Leather、Ever Cool Promoting、Ever Ge Warm、Ever Lace-like Perspective Print、Ever Smart Heating Clothing、Ever Airflow Wear、Eco Friendly Wear、Ever Biodegradable、Ever FR WorkWear、Ever Med、Ever Frozen Dye、Ever flame-retarding film、Ever Anti-bacterial、Ever D3R、Ever Stone Shone、Ever Light Coating Plus(WPI2)、Water Dye Sublimation Printing、Ever Green-Regeneration Wear、Ever Multi-colored Ocean、Eco-friendly printing、Ever Composite Reflective Print、Light Sculpture、Light and Shadow Sculpture、Reflective And Luminous Printing。

(IV) Long-term and Short-term Business Development Plans

Short-term: In theface of the net zero carbon emission target, the entire textile industry began to move towards sustainable materials, recycling, etc., such as materials return to natural raw materials and biodegradable materials, using recycled resources to produce products that can be reproduced and remanufactured. Repetition is used. The four major issues of product market trends: recycling, biomass, biodegradable and carbon reduction product technology, Everest developed new products for these four spindles, such as clothing recycling, carbon capture materials, biochemicals, biodegradable PU and other related products. We adapt to recycling upgrade and reduce product carbon footprint, search for various waste recycling raw materials, develop sustainable functional fabrics such as pineapple leaf fiber, coke hemp fiber, chestnut charcoal yarn, neocaptamide polymerization technology carbon reduction products, low temperature dyeable polyester fiber, recycled tire carbon black liquid dyeing fiber machinery Elastic elastic, carbon capture yarn, cotton interwoven environmental protection series, environmental protection bio-based waterproof membrane and other innovative products. Everest also places great importance on the localization of sustainable circular economy, and the development of bioceramic film with waste oyster shell combined with waterproof and moisture permeable film and thermal insulation film made of silver acacia carbon material combined with PU plastic. We continue to work towards recycling, biomass & carbon capture, carbon-neutral and localized circular economy, and contribute to society.

Long term: four major topics of discussion inrecent years: smart high-performance materials, recycled bio-textiles, digitized, safe products and responsible supply chain, we develop multi-faceted products with innovative materials and core technologies in the textile trend. In recent years, with the international trend of carbon reduction, the textile industry has also turned to functional textiles with environmental protection as the appeal. Now Everest has integrated the concepts of green manufacturing and circular economy from the product itself to the production process in the factory, which not only reduces the burden on the environment, but also meets the increasingly stringent procurement specifications of brand enterprises. And process waste is also an invisible killer of energy consumption. Therefore, in addition to developing more environment-friendly green textiles from the product side, Everest also starts to optimize the production line in its carbon reduction action, hoping to achieve stable quality through smart and practical manufacturing, so as to minimize the unnecessary waste in the process. The circular economy has become the core concept of the textile industry. Looking for waste resources to be converted and reused into high-value materials is the future development direction. And with the digital platform, the product marketing and promotion of business and R&D can effectively reduce transportation energy waste. Product carbon footprint is calculated using raw material design, process design, transportation design, etc., combined with regional chain technology to provide supply chain transparency and traceability, realizing industrial supply chain zero waste and cross-industry cooperation, and practice cradle to cradle development design concept.

Everest adheres to the concept of environmental friendliness and cooperates with the international brands' sustainable environmental protection policy. Combined with high-tech innovative functional textiles application, the Company focuses fields of outdoor, sports, leisure, fashion apparel market, anti-epidemic and industrial textiles to continuously create unique and high value-added textiles. Environmental materials and low carbon emissions have become a market trend, we launch sustainability 4.0, with the spirit of innovation and entrepreneurship, cross-bordercooperationand resource development, “humanities x science” R & D strategy, combined with the trend and global layout of one-stop full-value innovative services, constantly provide multi-functional, permanent Renewed innovative products and integrated services such as fabrics and garments, injects new growth momentum and reinvents sustainable carbon competitiveness.

II. Market and Sales Overview

(I) Market Analysis

1. Sales regions of major products:

   Products are mainly exported, including Europe and U.S., North East Asia including Japan and South Korea, Hong Kong, Southeast Asia, New Zealand and Australia.

2. Market share:

   The Company has become a strategic partner with international brand customers and has become a major supplier of internationally renowned brands. Combined with the full value chain service from fabric to cloth, the business is to be expanded to the global market.

3. The market's future supply and demand & future growth:

A. Extending vertical integration of the supply chain by combining the investments in the United States, Haiti and Ethiopia weaving and garment factories and using the advantages of global operations to expand external sales.

B. Supply and demand of filament and staple fabrics and garments:

a. For filament fabrics, the high-performance Sports and Outdoor fabrics are the main force, while the Fashion and knitting product lines are expanded to give the multiplication effect of humanities X science. The expansion of environmentally friendly and green products has led to significant growth and increased brand awareness.

b. For staple fabrics, the products developed by using the Company's existing filament technology with staple materials are highly differentiated and have won the favor of customers.

c. For garments:

Combine knitted fabric and woven fabric for garment processing. Sell knitted fabrics and woven fabrics and supply them to Everest's garment factories.

The operating model of garments orders drives the growth of fabric orders has effectively developed the entire batch of raw materials to be produced in Everest.

4. Advantages and disadvantages of competitive niche and development prospects &countermeasures:

A. Opportunities:

a. Regional manufacturing and short chain supply, integrate various plant resources and flexible scheduling.

b. 125 core competencies and alliances with other industries to expand the market.

c. Smart, lean innovation, sustainability, play resilience.

d. Vertical integration from yarn, cloth to garment, play the advantages of consistent plant series.

e. Circular economy and zero carbon opportunity, green business innovation and market.

f. Use the advantages of corporate brand power to create customer magnetic effect.

B. Challenge:

a. The inflation crisis, the rising cost of raw materials, and increased operating costs.

b. The brand requires short delivery, customization, and production needs to be adjusted quickly.

c. Terminal consumption capacity decreased, brand regulating inventory orders slowed down.

d. National regulations and customer standards for ESG social responsibility are raised.

e. Zero carbon requires equipment and process updates to increase costs.

f. The loss of talent in the transmission manufacturing industry, lack of key π personnel.

C. Responding measures:

a. Customers are stratified with differentiated management resources, provide a variety of high-value products and services, and cultivate existing and stable cooperation customers, and continue to expand valuable new partners.

b. Continuously enhance product and company value, the company has the pricing ability to sell.

c. Customized service concept, executed in MVP style, validated to expand into mainstream market.

d. Expand core technology, integrate raw materials into garments, and create a learning benchmark enterprise.

e. Use innovative technologies and green materials to develop recycled products.

f. Drive automated decision-making of business processes for producers and sellers, using digital tools to increase development efficiency and expand product exposure.

g. A net-zero strategy combined with smart production reduces the impact of the industry chain on climate change.

h. Deepen corporate culture, deepen ESG spirit, internal talent development, integration of external resources.

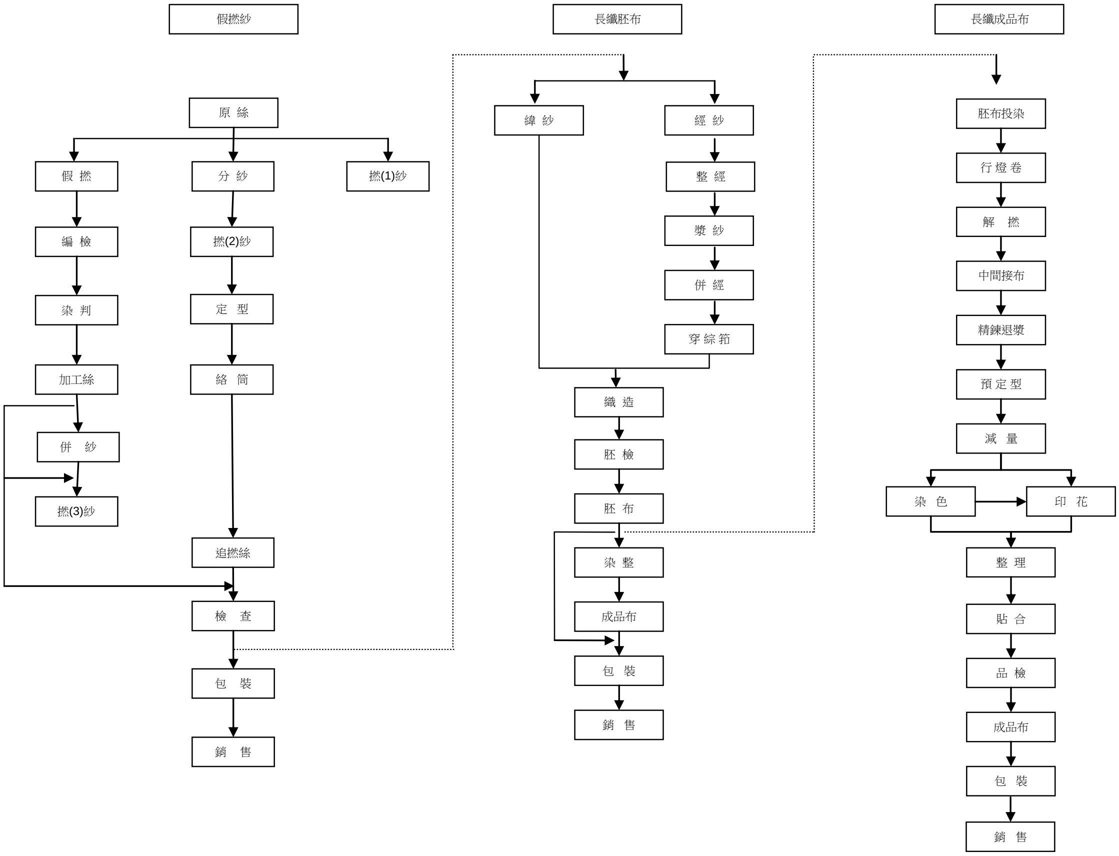
(II) Usage and Manufacturing Processes for Main Products:

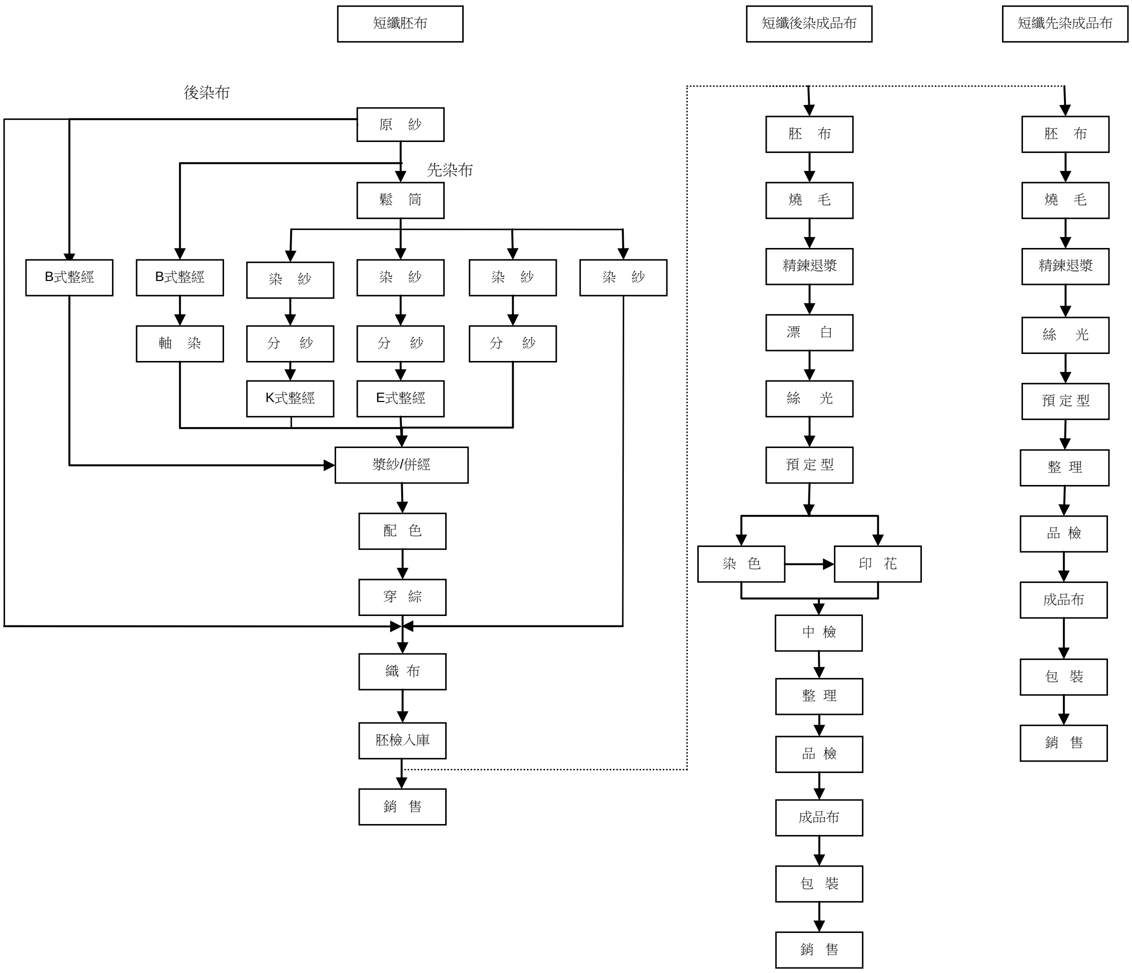
1. Important Applications of Products

Item	Product Category	Product	Major Applications
I. Textured Yarn	A. TASLAN Textured Yarn	1. Air Textured Yarn	1. Suit, Skirt pants, Sports, Home & Furniture
		2. Different Shrinkage Yarn	2. Dress, Shirts, Pants, Coats
		3. New Synthetic Fiber	3. Dress, Shirts, Pants, Coats
	B. Draw Textured Yarn	1. Micro Fiber	1. Sports、Outdoor
		2. Stretch Yarn	2. Sports、Outdoor
		3. Recycle Draw Textured Yarn	3. Sports、Outdoor
	C. False Twist Textured Yarn	1. Polyester Textured Yarn	1. Deluxe Man & Women's Suits
		2. Micro Fiber	2. Sports & Casual Wear, Wind Coats, Home & Furniture
		3. Cationic Dyeable Texture Yarn	3. Man & Women's Suits
		4. Thick & Thin Yarn	4. Man's Suit Pants, Sports, Outdoor
		5. Interlace Textured Yarn	5. Deluxe Man & Women's Suits, Pants, Sports, Outdoor
		6. Lycra Covery Yarn	6. Deluxe Man & Women's Suits, Pants, Sports, Outdoor
		7. Functional Textured Yarn	7. Home & Furniture, Industrial Textile
II. Long-staple Fabrics	A. New synthetic thick strong twining fiber	1. Rayon like finish	1. Dress, Blouse, Suit
		2. Silk-like finish	2. Dress, Shirt, Men's pants, Jacket
		3. Worsted like finish	3. Dress, Men's pants, Business suit
		4. Suiting finish	4. Dress, Shirt, Suit
	B. Stretch woven	1. Nylon stretch woven (4-Way stretch)	1. Outdoor、Casual
		2. Polyester stretch woven (4-Way stretch)	2. Sports、Outdoor、Casual
	C. Double face woven	1. Absorptive finishing	1. Casual top and shorts, Sports
		2. Water repellent	2. Pants, Coat
		3. Brushing finishing	3. Pants, Coat
	D. Ultra light weight	1. Water repellent	1. Casual, Sports, Jacket
		2. Breathable and waterproof	2. Outdoor wear
	E. Inelastic organization (High fine count waterproof woven fabric)	1. Water repellent. Glaze	1. Coat, Down jacket
		2. Absorptive finishing	2. Shorts, Shirt
	F. Recycled Eco-friendly Products	1. PET Bottle Collection	1. sportswear
		2. Nylon Bottom Material Recycling Series	2. Outdoor sportswear
		3. Spandex Bottom Material Recycling Series	3. Sportswear, Casual Wear
III. Staple Piece Dyes fabric	Staple & filament interweaving	1. TR	1. Outdoor & casual Shirt & pants
		2. T/C	2. Outdoor & casual Shirt & pants
		3. N/C	3. Outdoor & casual Shirt & pants
		4. 100%CM	4. Outdoor & casual Shirt & pants
IV. Yarn dyed fabric	A. Synthetic yarn dyed B. Spun yarn dyed C. Yarn dyed stretch fabric D. Staple & filament interweaving YD E. Yarn dyed fabric with special finish	1. Poplin 2. Jacquard Fabric 3. Oxford 4. Seer-sucker 5. Brushed fabric	Shirt, pajamas, suit, skirt, casual pants, outerwear, wind jacket, sports wear
V. Dyeing and Finishing	A. New synthetic fabric	Same as II-A	Same as the left
	B. LYCRA stretch woven	Same as II-B	Same as the left

Item	Product Category	Product	Major Applications
fabric	C. Micro-fiber fabric	Same as II-C	Same as the left
	D. Blended fabric	Same as II-D	Same as the left
	E. General fabric	Same as II-E	Same as the left
	F. Doeskin	Same as II-F	Same as the left
VI. Printing fabric	Nylon & Polyester Printed Fabric	1. Heat transfer printing fabric 2. Digital Printed Fabric 3. Special printed cloth	1. Beach casual wear and sports jacket 2. Beach Men's and Women's Jackets
VII. Coating fabric	Special processing fabric	1. Water repellent and waterproof fabric	1. Casual jacket, sports jacket, windbreaker
		2. Water repellent, Breathable and waterproof fabric	2. Advanced windbreaker, snow coat, sports jacket
VIII. Lamination fabric	Special processing fabric	Breathable and waterproof fabric	1. Mountaineering clothing 2. Snow clothing, coldproof jacket
IX. Knit Fabric	A. Filament Yarn Dyed Stretch Fabric series B. Long and short fiber composite knit series C. Micro Fiber Knit Series	1. Single Jersey Fabric 2. Double Knit Fabric 3. Jacquard Fabric 4. Brushed Fabric	Shirt, pajamas, suit, skirt, casual pants, outerwear, wind jacket, sports wear
X. Industrial fabric	A. Work fabric B. Industrial material C. Medical fabric D. Protective series	1. Flame retardant protective fabric 2. Highly visible fabric 3. Cold/rain-proof fabric 4. PTFE membrane/yarn 5. Special PU film 6. Surgical clothing/ medical clothing 7. Protective wear 8. Mask 9. Antibacterial fabric	1. Industrial protective safety clothing 2. Industrial filter material 3. Hot compress clothing and accessories 4. Membrane for high-tech industry 5. Medical fabrics and clothing 6. Health protection products

2. The production process of the product

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後染布
原 紗
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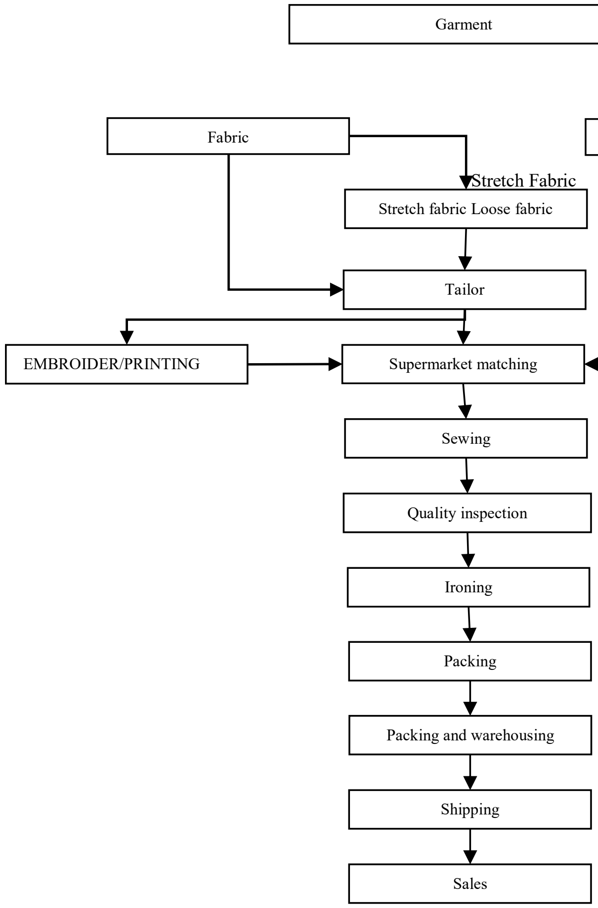


(III) Supply Status of Main Materials

The main raw materials required by the Company for the production of various products are listed as follows according to the use and supply status of the source manufacturers:

Major industry sectors	Main Products	Main Materials	Source of Supply
Textured Yarn factory	A) Interlace Textured Yarn B) Shrinkage Yarn C) High Elastane Fiber D) Ultra microfiber	Oriented yarn POY HOY POY POY Stretch Yarn Ultra micro POY	Far Eastern New Century, Tainan Spinning, Chung Shing, Nanya, Shinkong South Asia、Shin Kong、China Textile Formosa Asahi, Hyosung, The Lycra Company Self yarn - Chung Shing, Tainan Spinning, Far Eastern New Century, Shinkong
Weaving factory	A) Environment-friendly polyester fabric B) Environment-friendly nylon fabric C) Mechanical elastic fabric D) High elastic fabric E) Shape memory fabric F) Ultra light fabric G) Outdoor fabric	GPSW、GPSWO、GPSWEE ERFN66WO、CRFN6WO HCR、 DHCR ODW、UHCRP、T400、PTT LYCRA+Special Yarn light weight yarn Nylon Yarn	Self yarn - Chung Shing, Shinkong , Far Eastern New Century, Tainan Spinning Self yarn - Far Eastern Fibertech, Chainlon, Zig Sheng Self yarn - Chung Shing, Tainan Spinning, Far Eastern New Century, Shinkong Self yarn - The Lycra Company, Shinkong, Nanya Self yarn - The Lycra Company Self yarn - Nanya, Shinkong, Chung Shing

Major industry sectors	Main Products	Main Materials	Source of Supply
			Far Eastern Fibertech, Chainlon, Zig Sheng
Dyeing and finishing factory	A) Fluorine-free water repellent B) Silk-like finish C) Emboss and Peach D) Soft finish E) Anti-bacteria, Anti-odor, and Anti-mosquito finish F) Bonding G) Water-repellent coating H) New Nylon finish I) Water repellent, Oil repellent, and soil release finish J) YNY finish K) Printing L) Light coating	Polyester fabric Nylon fabric	Self-developed technology
Staple & Yarn dyed factory	A) Yarn dyed fabric B) Stretch Fabric C) Staple & filament interweaving D) Long staple fiber blend fabric E) Solid dyed	COTTON、TENCEL、ORGANIC COTTON SPANDEX CORE YARN MICRO FIBER、HEMP MODAL RAYON、CVC、T/C、T/L RECYCLE PET SPUN	Far East New, Kun Yang, Youhao, Taihua, Donghe, Fu-Mao Far Eastern Shin Mitsukoshi Far Eastern New, Youhao, Donghe, Fumao Far East New, Kun Yang, Taihua, Donghe Far Eastern New, Taihua, Donghe, Nanqing
Knit Fabric factory	A) Computer Jacquard Fabric B) Fine Dan Stretch Fabric C) Single and Double Side Stretch Fabric D) Seamless Garment	(Eco-Friendly) Nylon Yarn (Eco Friendly) Polyester Yarn YARN DYE/DOPE DYE SPANDEX Staple Fiber (Composite) Yarn Stretch Yarn	Self yarn - Far Eastern Fibertech, Zig Sheng, Chainlon Self yarn - Nanya, Far Eastern New Century, Chung Shing Acelon, Zig Sheng Formosa Asahi, Hyosung, The Lycra Company Tung Ho, Formosa Taffeta, Far Eastern New Century Self-production
Garment	T-shirt, POLO, casual shirt, coat, windbreaker, down jacket, sweatpants, casual pants, vest, underwear/accessories	Knit Fabric Poplin	Yichen, Vietnam giant bamboo, Jinghua, Shaoxing Eagle Ego, Jiaxing speed curtain, Fellotex, Wei Yu, Ducksan, Far Eastern New Century, Ru Hong APEX Zhejiang Fufa, Shin Kong, Deli, Shangyi, Vietnam Fu Mao, Visiontex, Wing Cheung

(IV) Customers with sales accounted for more than 10% of total sales during any of the most recent two years:

1. Suppliers with purchase accounted for more than 10% of total purchase during any of the most recent two years:

	2021				2022				Up to the First Quarter of 2023			
Item	Name	Amount (in NT$ thousand)	Percentage to Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount (in NT$ thousand)	Percentage to Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount (in NT$ thousand)	Ratio of net intake for the year ended first quarter [%]	Relationship with the Issuer
1	Shing Mao Textile	497,015	10.4%	NIL.	Chung Shing Textile Marketing Co., Ltd.	301,731	7.32%	NIL.	Chung Shing Textile Marketing Co., Ltd.	48,556	9.60%	NIL.
2	Chung Shing Textile Marketing Co., Ltd.	350,270	7.3%	NIL.	Shing Mao Textile	285,706	6.93%	NIL.	Far East New Century	44,418	8.78%	The subsidiary is the major shareholder of the Company
3	Far Eastern Fibertech Co., Ltd.	326,715	6.9%	The parent company is the major shareholder of the Company	Chain Yarn Corporation	266,248	6.46%	NIL.	Jay Lee	40,569	8.02%	The Company is its corporate director
4	Far Eastern New Century Corporation	254,982	5.3%	The subsidiary is the major shareholder of the Company	Far Eastern Fibertech Co., Ltd.	248,418	6.03%	The parent company is the major shareholder of the Company	Shing Mao Textile	26,426	5.22%	NIL.
	Others	3,340,291	70.1%		Others	3,020,703	73.26%		Others	345,838	68.38%	
	Net Purchases	4,769,273	100%		Net Purchases	4,122,806	100%			505,807	100%	

Note: Changes in terms of top 4 suppliers are mainly due to the changes of the Company's product catalogue.

2. Customers accounting for more than 10 percent of the total sales:

(V) Production Volume and Value for the Most Recent Two Fiscal Years

Unit: in Thousand NT Dollars

Year / Major Product	2021			2022		
	Capacity	Output	Amount	Capacity	Output	Amount
Textured Yarn (Ton)	26,616	14,610	1,786,913	26,616	14,104	1,789,026
Fabric (Thousand Yards)	193,000	107,517	8,422,161	193,000	84,992	7,328,291
Total			10,209,074			9,117,317

(VI) Sales Volume and Value for the Most Recent Two Fiscal Years

Unit: in Thousand NT Dollars

Year / Major Product	2021				2022			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Textured Yarn (Ton)	9,161	752,246	302	30,257	9,115	767,872	223	29,976
Fabric (Thousand Yards)	8,875	529,465	92,749	8,098,777	6,465	548,032	74,534	7,724,225
Others		90,878		505,110		109,198		628,482
Total		1,372,589		8,634,144		1,425,102		8,382,683

III. Employee Information in the Past Two Years

(I) Employee information of the past two years and as of April 30, 2023

Year		2021	2022	Up to April 30, 2023
No. of employees	Leader	409	363	329
	Staff /technician	7,163	7,269	6,712
	Total	7,572	7,632	7,041
Average age		38.08	36	36
Average year of services		5.23	6.26	6.26
Education distribution ratio(Note)	PhD	0.0%	0.17%	0.17%
	Master	1.1%	1.74%	1.73%
	College	20.7%	29.99%	30.01%
	High School	50.9%	24.97%	24.37%
	Below Senior High School	27.2%	42.98%	43.71%

Foreign workers are not included in education distribution ratio calculation.

IV. Environmental Protection Expenditure

(I) Total amount of losses (including compensation) and penalties incurred due to environmental pollution in the most recent fiscal year up to the publication date of this annual report:

The total fines were $750,000 for the combustion of the embryo warehouse due to violation of the Air Pollution Control Act.

(II) Corresponding countermeasures (including improvement measures) and possible expenditures:

1. Increased lint control mechanism (operation adjustment, cleaning frequency and range).
2. Comprehensive assessment and improvement of fire zoning distance.
3. Strengthen fire emergency response (equipment renewal, prosthesis and outsourcing professional training).
4. The cost is mainly about$2 million for fire protection zone improvement, fire equipment update and training.

V. Labor Relations

(I) Employee benefits and implementation status:

1. Implementation of employee welfare measures

   Group insurance, Year-end bonus, Welfare benefits (wedding, birth, death, serious injury, and serious accident). The Welfare committee provides benefits such as employee travel, club activities, birthday coupon, shopping discount program, children scholarship and welfare subsidy for wedding and funeral, etc.

2. Continuing education, training and implementation status

   (1) Ourcompany has human resources management methods to enhance the skills and professional knowledge of new and working employees through education and training to improve productivity and work quality.

   (2) According to the job needs and individual's potential in development, Everest selects employees to participate in various trainings held by professional training institutes.

   (3) Everest has set up a complete regulation and SOP database on the NOTES system to allow all employees to browse and search so that employees can absorb new knowledge and improve the effectiveness of trainings.

   (4) In 2022, Everest has provided various professional and vocational training courses,

including 40 external training courses and 495 internal training courses, which are 1,550 hours in total.

3. Retirement system and its implementation

The Company has pension rules that apply to all full-time employees, including President. The Company makes monthly contributions to the staff pension fund and pays out retirement payment according to law. With effect from July 1, 2005, the Company makes monthly contributions to the labor pension account in accordance with the "Labor Pension Act" for those under the New Retirement Scheme. For employees under the old system, contributions are made to the old pension account by the end of March each year to cover the difference in the current year.

4. Employee-employer Agreements and Measures Taken to Safeguard Employees' Interests

The Company deals with labor relations based on the business philosophy of co-existence and prosperity. Therefore, it attaches great importance to the opinions of employees. Employees are able to reflect their problems at any time through formal and informal communication channels of the Company, so they can better understand and relate to each other, form consensus and improve performance.

5. Protection measures for work environment and employees' personal safety

(1) In order to improve the safety of emergency evacuation operations, a hybrid training course on earthquake, fire and poison was held in 2022 with 308 participants, to safeguard personnel safety.

(2) A safety and health management office has been set up to prepare occupational safety and health management plans, assist in the improvement of safety and health hazards at all on-site units, formulate emergency response mechanisms and reporting system to implement safety and health management and ensure the safety and health of employees.

(3) The 2022 annual regular inspection of the Company's 264 statutory hazardous machinery and equipment, including the first type pressure vessel, boiler, and LPG storage tank, all passed the inspection to ensure the safety of the plant's hazardous machinery and equipment comply with regulations and operational safety.

(4) In 2022, in order to promote safe workplace and culture, the head of each department formed a patrol factory group for various safety and health audits of the plant, including clips, falls, fire, inductance, object flying, contact with harmful substances, etc., a total of 488 to provide factory colleagues safe workplace environment.

(5) When outsourcing the Company's works to suppliers and contractors, communication and coordination of relevant safety and health issues were undertaken at the pre-construction organization meetings to comply with the occupational safety and health related laws and regulations and the management regulations on contractors in the factory, and ensure safety measures and control procedures at work are well done, to avoid occupational accidents.

(6) The Company has obtained ISO45001 certification of occupational safety and health management system and ISO14001 certification of environmental management system. The certifications are renewed annually through the certification company DNV. The Company actively promotes safety and health management, clean production, pollution prevention, energy resource saving and waste reduction. The Company intends to reduce potential environmental, safety, and health hazards and improve environmental and safety

and health management performance through continuous improvement of the management system.

(7) In 2022, to comply with the "Regulations on Labor Health Protection", the Company provided on-site doctor visits for health services on monthly basis. The on-site visit service includes: 1. training and instruction on health 2. medical service 3. individual care 4. new employee health evaluation and management. 5 Blood pressure test 6. medical consultation and health education services 7. health education guidance by medical staff 8. health resume establishment 9. selection and allocation of labor 10. number of on-site visits by doctors 11. health promotion courses 12. charity blood donation 13. occupational disease prevention. There were 5,626 persons in total, and healthy workforce were facilitated.

(8) In 2022, the health promotion activities are as follows: 1 The activity of “Breast Cancer Screening, Colorectal Cancer Screening and Chronic Hepatitis (B, C Liver) Screening” washeld by Tainan Hospital, Tainan Hospital on August24. The factory colleagues participated in the following situation: Breast cancer screening total 34 people, colorectal cancer screening Total 29 people and 25 people were screened for chronic hepatitis (B, C). 2 The “2022 Charity Blood Donation Campaign” was held by Tainan Blood Donation Center on July 21 and December 29 respectively. A total of 42 people participated in a total of 58 bags of blood (250cc per bag).

(II)

1. Losses due to labour disputes in recent years and up to the date of publication of the annual report: a fine of $550,000 for violation of the Labor Standards Act.
2. Current and future potential estimated amount and response measures:

VI. Important Contracts

Nature of Contract	Counterparty	Term	Major contents	Restrictive Covenants
Long-Term Loan Contract	Mega International Commercial Bank	2019.09-2024.09	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	Mega International Commercial Bank	2022.05-2025.05	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	Hua Nan Bank	2020.06-2023.06	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	The Shanghai Commercial and Savings Bank	2020.04-2023.04	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	The Shanghai Commercial and Savings Bank	2022.12-2025.12	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	KGI Bank	2022.01-2024.01	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	KGI Bank	2022.01-2024.01	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	EnTie Commercial Bank	2022.09-2024.09	Interim and long term Credit Extension Contract	NIL.
Long-Term Loan Contract	Bangkok Bank	2022.06-2025.06	Interim and long term Credit Extension Contract	NIL.

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

(I) Condensed Balance Sheets and Statements of Comprehensive Income - International Financial Reporting Standards (Consolidated)

1. Condensed Balance Sheets

Unit: in Thousand NT Dollars

Item \ Year		Financial summary for the last five years					Financial information as of March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Current Assets		6,075,663	6,373,638	7,045,992	8,451,043	8,666,007	7,914,058
Property, Plant and Equipment		6,132,633	6,302,525	5,740,814	5,453,756	5,625,211	5,536,572
Intangible Assets		-	-	-	-	-	-
Other Assets		280,076	846,933	778,290	702,953	686,302	654,227
Total Assets		12,488,372	13,523,096	13,565,096	14,607,752	14,977,520	14,104,857
Current Liabilities	Before distribution	6,201,807	5,574,424	6,246,913	6,384,907	6,383,913	5,483,139
	After distribution	6,201,807	5,574,424	6,246,913	6,384,907	(Note 2)	(Note 2)
Non-current Liabilities		1,128,617	3,108,539	3,511,863	1,405,992	1,538,893	1,552,219
Total Liabilities	Before distribution	7,330,424	8,682,963	9,758,776	7,790,899	7,922,806	7,035,358
	After distribution	7,330,424	8,682,963	9,758,776	7,790,899	(Note 2)	(Note 2)
Profit and/or Loss Attributable to Parent Company		5,157,940	4,840,122	3,806,311	6,816,844	7,054,707	7,069,493
Equity		4,998,374	5,098,341	5,098,341	6,946,434	6,946,434	6,946,434
Capital Reserve		99,644	99,644	99,644	115,943	115,943	115,943
Retained Earnings	Before distribution	439,444	41,861	(894,813)	440,454	504,462	509,965
	After distribution	439,444	41,861	(894,813)	440,454	(Note 2)	(Note 2)
Other Equity		(46,686)	(66,888)	(164,025)	(353,151)	(179,296)	(170,013)
Treasury Stock		(332,836)	(332,836)	(332,836)	(332,836)	(332,836)	(332,836)
Non-controlling Interests		8	11	9	9	7	6
Total Equity	Before distribution	5,157,948	4,840,133	3,806,320	6,816,853	7,054,714	7,069,499
	After distribution	5,157,948	4,840,133	3,806,320	6,816,853	(Note 2)	(Note 2)

Note 1. The Company's financial information as at 31 March 2023 has been reviewed by the CPA.

Note 2. The proposal distribution of the year's (2023) profits will be determined after resolution at the upcoming Annual General Shareholders' Meeting.

2. Condensed Statement of Comprehensive Income

NT$ thousands, except for the earnings (loss) per share, which is in NT$

Item \ Year	Financial summary for the last five years					Financial information as of March 31, 2023 (Note 1)
	2018	2019	2020	2021	2022	
Revenue	9,405,379	8,863,627	7,343,877	10,006,733	9,807,785	1,926,820
Gross Profit	1,689,823	1,385,905	572,006	1,918,134	1,692,445	402,223
Operating Income	237,577	(41,640)	(851,834)	364,733	97,452	88,708
Non-operating Income and Loss	38,862	(110,163)	(80,428)	(75,245)	13,929	(70,929)
Net Income before tax (loss)	276,439	(151,803)	(932,262)	289,488	111,381	17,779
Net Income from continuing operations (loss)	157,357	(271,956)	(936,989)	181,871	21,842	5,502
Loss from Discontinued Operations	-	-	-	-	-	-
Net Income (Loss) after Tax	157,357	(271,956)	(936,989)	181,871	21,842	5,502
Other Comprehensive Income	13,589	(45,859)	(96,824)	(187,637)	216,019	9,283
Total Comprehensive Income	170,946	(317,815)	(1,033,813)	(5,766)	237,861	14,785
Net Income (Loss) Attributable to Shareholders of the Parent	157,365	(271,959)	(936,987)	181,871	21,844	5,503
Net Income (Loss) Attributable to Non-controlling Interests	(8)	3	(2)	-	(2)	(1)
Total Comprehensive Income Attributable to Shareholders of the Parent	170,954	(317,818)	(1,033,811)	(5,766)	237,863	5,502
Total Comprehensive Income Attributable to Non-controlling Interests	(8)	3	(2)	-	(2)	(1)
Earnings Per Share (Loss)	0.33	(0.56)	(2.50)	0.39	0.03	0.01

Note 1. The Company's financial information as at 31 March 2023 has been reviewed by the CPA.

Note 2. The proposal distribution of the year's (2023) profits will be determined after resolution at the upcoming Annual General Shareholders' Meeting.

(II) Condensed Balance Sheets and Statements of Comprehensive Income - International Financial Reporting Standards (Individual)

1. Condensed Balance Sheets

Unit: in Thousand NT Dollars

Item \ Year		Financial summary for the last five years					Financial information as of March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Current Assets		4,682,785	4,660,672	4,953,252	5,218,136	5,280,416	Not applicable.
Property, Plant and Equipment		2,851,269	2,706,961	2,528,072	2,547,625	2,603,911	
Intangible Assets		-	-	-	-	-	
Other Assets		2,739,950	3,197,705	3,371,091	3,361,677	3,468,781	
Total Assets		10,274,004	10,565,338	10,852,415	11,127,438	11,353,108	
Current Liabilities	Before distribution	4,467,447	3,538,701	4,250,113	3,428,423	3,458,658	
	After distribution	4,467,447	3,538,701	4,250,113	3,428,423	(Note 2)	
Non-current Liabilities		648,617	2,186,515	2,795,991	882,171	839,743	
Total Liabilities	Before distribution	5,116,064	5,725,216	7,046,104	4,310,594	4,298,401	
	After distribution	5,116,064	5,725,216	7,046,104	4,310,594	(Note 2)	
Profit and/or Loss Attributable to Parent Company		5,157,940	4,840,122	3,806,311	6,816,844	7,054,707	
Equity		4,998,374	5,098,341	5,098,341	6,946,434	6,946,434	
Capital Reserve		99,644	99,644	99,644	115,943	115,943	
Retained Earnings	Before distribution	439,444	41,861	(894,813)	440,454	504,462	
	After distribution	439,444	41,861	(894,813)	440,454	(Note 2)	
Other Equity		(46,686)	(66,888)	(164,025)	(353,151)	(179,296)	
Treasury Stock		(332,836)	(332,836)	(332,836)	(332,836)	(332,836)	
Non-controlling Interests		-	-	-	-	-	
Total Shareholders' Equity	Before distribution	5,157,940	4,840,122	3,806,311	6,816,844	7,054,707	
	After distribution	5,157,940	4,840,122	3,806,311	6,816,844	(Note 2)	

Note 1. The company did not prepare an individual financial report as of March 31, 2023.

Note 2. The proposal distribution of the year's (2023) profits will be determined after resolution at the upcoming Annual General Shareholders' Meeting.

2. Condensed Statement of Comprehensive Income

NT$ thousands, except for the earnings (loss) per share, which is in NT$

Item \ Year	Financial summary for the last five years					Financial information as of March 31, 2023 (Note 1)
	2018	2019	2020	2021	2022	
Revenue	6,610,889	5,993,003	5,174,017	6,597,881	6,869,836	Not applicable.
Gross Profit	1,021,016	828,583	119,456	1,119,362	1,010,853	
Operating Income	56,611	(61,495)	(757,712)	73,987	(4,043)	
Non-operating Income and Loss	130,447	(202,013)	(176,442)	107,884	29,049	
Net Income before tax (loss)	187,058	(263,508)	(934,154)	181,871	25,006	
Net Income from continuing operations (loss)	157,365	(271,959)	(936,987)	181,871	21,844	
Loss from Discontinued Operations	-	-	-	-	-	
Net Income (Loss) after Tax	157,365	(271,959)	(936,987)	181,871	21,844	
Other Comprehensive Income	13,589	(45,859)	(96,824)	(187,637)	216,019	
Total Comprehensive Income	170,954	(317,818)	(1,033,811)	(5,766)	237,863	
Net Income (Loss) Attributable to Shareholders of the Parent	157,365	(271,959)	(936,987)	181,871	21,844	
Net Income (Loss) Attributable to Non-controlling Interests	-	-	-	-	-	
Total Comprehensive Income Attributable to Shareholders of the Parent	170,954	(317,818)	(1,033,811)	(5,766)	237,863	
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	-	
Earnings Per Share (Loss)	0.33	(0.56)	(2.50)	0.39	0.03	

Note 1. The company did not prepare an individual financial report as of March 31, 2023.

(V) The name of CPAs conducting financial audits in the most recent five years and their audit opinions:

Year	Name of CPA	Audit Opinion
2018	Sophie Lee & Li-yuan Guo	Unqualified opinion with other matter paragraph
2019	Sophie Lee & Li-yuan Guo	Unqualified opinion with other matter paragraph
2020	Lou Liao & Li-yuan Guo	Unqualified opinion with other matter paragraph
2021	Lou Liao & Li-yuan Guo	Unqualified opinion with other matter paragraph
2022	Lou Liao & Li-yuan Guo	Unqualified opinion with other matter paragraph

II. Financial Analyses for the Past Five Fiscal Years

(I) Financial Analysis - International Financial Reporting Standards (Consolidated Financial Statement Analysis)

Item	Year	Financial Analyses for the Past Five Fiscal Years					Up to March 31, 2023
		2018	2019	2020	2021	2022	
Financial Structure	Ratio of Liabilities to Assets	58.70	64.19	71.94	53.33	52.90	49.88
	Long-term Fund to Property, Plant and Equipment Ratio (%)	102.51	126.12	127.48	150.77	152.77	155.72
Liquidity	Current Ratio	97.97	114.36	2023.79	132.36	135.75	144.33
	Quick Ratio	23.09	26.14	35.44	41.29	35.39	30.18
	Times Interest Earned	4.23	(0.30)	(8.19)	4.09	1.83	1.32
Operating Performance Analysis	Receivables Turnover (Times)	7.34	7.65	5.94	6.05	6.19	6.98
	Days Sales Outstanding	50	48	61	60	59	52
	Inventory Turnover (Times)	1.80	1.62	1.44	1.56	1.37	1
	Payables Turnover (Times)	8.87	9.82	10.50	10.81	11.24	12.76
	Average Inventory Turnover Days	202	226	253	234	267	366
	Property, Plant and Equipment Turnover (Times)	1.63	1.43	1.22	1.79	1.77	1.38
	Total Assets Turnover (Times)	0.77	0.68	0.54	0.71	0.66	0.53
Profitability	ROA (%)	1.85	(1.37)	(6.32)	1.82	0.87	0.34
	ROE (%)	3.14	(5.44)	(21.67)	3.42	0.31	0.08
	Pre-tax Income to Paid-in Capital Ratio (%)	5.53	(2.98)	(18.29)	4.17	1.60	0.26
	Net Margin (%)	1.67	(3.07)	(12.76)	1.82	0.22	0.29
	Earnings Per Share (NT$)	0.33	(0.56)	(1.94)	0.39	0.03	0.01
Analysis of Cash Flow	Cash Flow Ratio (%)	5.31	0.57	(5.04)	(8.19)	5.28	13.67
	Cash Flow Adequacy Ratio (%)	31.22	23.37	6.98	(5.57)	(2.2)	5.72
	Cash Reinvestment Ratio (%)	3.19	0.27	(2.75)	(4.14)	2.47	5.42
Leverage	Operating Leverage	12.45	(68.94)	(2.27)	9.09	8.60	9.12
	Financial Leverage	1.56	0.26	0.89	1.35	(2.68)	2.69

Analysis of deviation of 2022 vs. 2021 consolidated financial ratio over 20%:

1. Reduced interest protection multiplier: increase in principal interest expense, reduced pre-tax net income
2. Return on assets, return on equity, pre-tax net to paid capital ratio, reduced net profit ratio: decrease in principal net profit
3. Various cash flow ratios decreased mainly due to pandemic easing off and increase in net sales.
4. Financial leverage drop: increase in principal interest expense, decrease in net income

The calculation formula is as follows:

1. Financial Structure
   (1) Debt ratio = Total liabilities/Total assets.
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities)/Net property, plant, and equipment.
2. Liquidity
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.
   (3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses.
3. Operating Performance Analysis
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities).
   (2) Average days for cash receipts = 365/Accounts receivable turnover.
   (3) Inventory turnover rate= Cost of sales/Average inventory.
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities).
   (5) Average days for sale of goods = 365/Inventory turnover.
   (6) Turnover rate for property, plant and equipment = Net sales/Average net property, plant, and equipment.
   (7) Total asset turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.
   (2) Equity return ratio = Profit or loss after tax/Average total equity.
   (3) Net profit ratio = Profit or loss after tax/Net sales.
   (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends)/Weighted average number of shares issued.
5. Analysis of Cash Flow
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plant, and equipment + Long-term investment + Other non-current assets + Working capital).
6. Leverage
   (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income
   (2) Financial leverage = Operating income/(Operating income - Interest expenses).

(II) Financial Analysis - International Financial Reporting Standards (Individual Financial Statement Analysis)

Item		Financial Analyses for the Past Five Fiscal Years: 2018	2019	2020	2021	2022	As of March 31, 2023
Financial Structure	Debts to Assets Ratio (%)	49.80	54.16	64.93	38.74	37.86	Not applicable.
	Long-Term Fund to Property, Plant, and Equipment (%)	203.65	259.58	261.16	302.20	303.18	
Liquidity	Current Ratio (%)	104.82	131.77	116.54	152.20	152.67	
	Quick Ratio (%)	41.90	46.90	49.93	39.89	38.85	
	Times Interest Earned	5.38	(4.50)	(16.19)	5.33	1.64	
Operating Performance Analysis	Receivables Turnover (Times)	7.34	8.28	6.17	6.67	8.01	
	Days Sales Outstanding	50	44	59	55	46	
	Inventory Turnover (Times)	2.06	1.79	1.75	1.66	1.52	
	Payables Turnover (Times)	10.08	9.94	10.43	8.72	10.01	
	Average Inventory Turnover Days	177	204	208	221	240	
	Property, Plant and Equipment Turnover (Times)	2.32	2.16	1.98	2.60	2.67	
	Total Assets Turnover (Times)	0.64	0.58	0.48	0.60	0.61	
Profitability	ROA (%)	1.86	(2.24)	(8.35)	1.96	0.47	
	ROE (%)	3.14	(5.44)	(21.67)	3.42	0.31	
	Pre-tax Income to Paid-in Capital Ratio (%)	3.74	(5.17)	(18.32)	2.62	0.36	
	Net Margin (%)	2.38	(4.54)	(18.11)	2.76	0.32	
	Earnings Per Share (NT$)	0.33	(0.56)	(1.94)	0.39	0.03	
Analysis of Cash Flow	Cash Flow Ratio (%)	12.65	(3.05)	(14.09)	(5.27)	(7.93)	
	Cash Flow Adequacy Ratio (%)	20.47	3.52	(35.10)	(38.03)	(18.17)	
	Cash Reinvestment Ratio (%)	7.82	(1.29)	(7.44)	(1.95)	(2.86)	
Leverage	Operating Leverage	30.04	(23.64)	(0.89)	21.34	(371.79)	
	Financial Leverage	4.07	0.56	0.93	2.31	0.09	

Analysis of deviation of 2022 vs. 2021 individual financial ratio over 20%:
1. Reduced interest protection multiplier: increase in principal interest expense, reduced pre-tax net income
2. Increase in receivables turnover: decrease in primary receivables
3. Return on assets, return on equity, pre-tax net to paid capital ratio, reduced net profit ratio: decrease in principal net profit
4. Cash flow ratio, cash reinvestment ratio increased mainly due to decrease in net cash flows from operating activities.
5. Decreased operational leverage and financial leverage: Main decrease in operating benefits in 2022

The calculation formula is as follows:

1. Financial Structure
   (1) Debt ratio = Total liabilities/Total assets.
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities)/Net property, plant, and equipment.
2. Liquidity
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.
   (3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses.
3. Operating Performance Analysis
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities).
   (2) Average days for cash receipts = 365/Accounts receivable turnover.
   (3) Inventory turnover rate= Cost of sales/Average inventory.
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities).
   (5) Average days for sale of goods = 365/Inventory turnover.
   (6) Turnover rate for property, plant and equipment = Net sales/Average net property, plant, and equipment.
   (7) Total asset turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.
   (2) Equity return ratio = Profit or loss after tax/Average total equity.
   (3) Net profit ratio = Profit or loss after tax/Net sales.
   (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends)/Weighted average number of shares issued.
5. Analysis of Cash Flow
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plant, and equipment + Long-term investment + Other non-current assets + Working capital).
6. Leverage
   (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income
   (2) Financial leverage = Operating income/(Operating income - Interest expenses).

III. Audit Committee Report for the Most Recent Fiscal Year's Financial Statement

The Company's 2022 Audit Committee Review Report

I hereby state as following

This proposal is the presentation by the Board of Directors of the Company's 2022 Business Report, Financial Statements, and the Earnings Distribution Proposal. Of these items, the Financial Statements have been audited by external auditors Lou Liao and Li-Yuan Guo from Deloitte & Touche Taiwan, and an opinion and report have been issued on the Financial Statements.

The aforementioned proposal regarding Business Report, Financial Statements, and the Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2023 Annual General Shareholders' Meeting

Convener of the Audit Committee:

March 27, 2023

IV. Financial Difficulties of the Company and Its Affiliates:

V. Audited Consolidated Financial Statements for the Most Recent Fiscal Year:

VI. Audited Individual Financial Statements for the Most Recent Fiscal Year:

I. Financial Status

Unit: in Thousand NT Dollars

Item \ Year	2022	2021	Increase (Decrease)	
			Amount	Percentage
Current Assets	8,666,007	8,451,043	214,964	3%
Property, Plant and Equipment	5,625,211	5,453,756	171,455	3%
Other Assets	686,302	702,953	-16,651	-2%
Total Assets	14,977,520	14,607,752	369,768	3%
Current Liabilities	6,383,913	6,384,907	-994	0%
Non-current Liabilities	1,538,893	1,405,992	132,901	9%
Total Liabilities	7,922,806	7,790,899	131,907	2%
Capital (Less Treasury Stock)	6,613,598	6,613,598	0	0%
Capital Reserve	115,943	115,943	0	0%
Retained Earnings	504,462	440,454	64,008	15%
Other Shareholders' Equity	(179,296)	(353,151)	173,855	-49%
Non-controlling Interests	7	9	-2	-22%
Total Shareholders' Equity	7,054,714	6,816,853	237,861	3%
Analysis on items with movement of more than 20% and above NT$10 million. 1. Additional adjustments to shareholders' equity: increase in the influence of principal exchange rate				

II. Financial Performance

Unit: in Thousand NT Dollars

Item \ Year	2022	2021	Increase (Decrease)	
			Amount	Percentage
Net Sales	9,807,785	10,006,733	-198,948	-2%
Cost of Sales	8,115,340	8,088,599	26,741	0%
Gross Profit	1,692,445	1,918,134	-225,689	-12%
Operating Expenses	1,598,244	1,541,464	56,780	4%
Operating Profit	97,452	364,733	-267,281	-73%
Non-operating Income and Loss	13,929	(75,245)	89,174	-119%
Other Income	73,090	87,390	-14,300	-16%
Gain on Disposal of Investments	-	-	-	-
Foreign Exchange Gain (Loss), net	119,187	(83,120)	202,307	-243%
Others	(44,507)	14,141	-58,648	-415%
Interest Expense	133,841	93,656	40,185	43%
Net Income (Loss) Before Tax	111,381	289,488	-178,107	-62%
Income Tax Expense (Gain)	89,539	107,617	-18,078	-17%
Net Income (Loss) after Tax	21,842	181,871	-160,029	-88%
Other Comprehensive Income	216,019	(187,637)	403,656	-215%
Total Comprehensive Income	237,861	(5,766)	243,627	-4,225%
Net Income Attributable to Shareholders of the Parent	21,844	181,871	-160,027	-88%
Net Income Attributable to Non-controlling Interests	-2	-	-2	N/A
Total Comprehensive Income Attributable to Shareholders of the Parent	237,863	(5,766)	243,629	-4,225%
Total Comprehensive Income Attributable to Non-controlling Interests	-2	-	-2	N/A
Earnings Per Share	0.03	0.39	0	-92%

(I) Analysis of changes in financial ratios:
1. Decrease in operating benefits: decrease in principal revenue and increase in operating costs.
2. Increase in interest expense: principal borrowing interest rate increases.
3. Decrease in pre-tax net profit: the principal revenue is reduced and the operating costs increase.
4. Decrease in net profit for the current period: decrease in principal revenue and increase operating costs.
5. Reduced net income attributable to the parent company owners: decrease in principal revenues and increased operating costs.
6. Decrease in earnings per share: Decrease in pretax net income.

(II) While the pandemic control measures are expected to ease globally in the coming year, the supply chain chaos and challenge of escalating freight rates would persist. The Group will also utilize the global layout, integrate resources to optimize product supply chain, actively develop e-commerce operation model to expand new customer base, leverage on automation and smart features to reduce demand for skills and progressively transform to the production of high-end products, reduce overall production costs, thereby increasing profits of orders and increase revenue and profit.

III. Review and Analysis of Cash Flow

1. Liquidity analysis for the most recent two years

Item \ Year	2022	2021	Increase (Decrease)
Cash Flow Ratio	5.28	(8.19)	13.47
Cash Flow Adequacy Ratio	(2.20)	(5.57)	3.37
Cash Reinvestment Ratio	2.47	(4.14)	6.61
Analysis of changes in financial ratios: Cash flow (cash flow ratio, cash flow sufficiency ratio, cash reinvestment ratio) decreased mainly due to decrease in net cash flows from operating activities in 111.			

2. Cash Flow Analysis for the Next 12 Months

Unit: in Thousand NT Dollars

Beginning cash balance	Net cash flow from operating activities	Cash outflow for the year	Residual (insufficient) cash	Remediation action for insufficient cash	
				Investment Plan	Financing Plan
547,231	10,000,000	9,350,000	1,197,231	Not applicable.	Not applicable.

1. Analysis of cash flow in 2023:
   (1) Operating activities: Revenue is expected to grow slightly by 2% this year compared to last year 2022.
   (2) Investing activities: capital expenditure is expected to be approximately NT$361,560,000, mainly for equipment renewal and maintenance, and the construction of solar energy equipment.
   (3) to fulfill the need of cash for each factory, the Company will proactively maintain sufficient financing facilities, build a healthy financial structure, search for relatively inexpensive capital and appropriate currency allocation.
2. Remedial Measures and Analysis of Liquidity Shortfalls:

IV. Effect Upon Finance and Operation by Any Major Capital Expenditures During the Most Recent Fiscal Year

(I) Use of major capital expenditures and source of funds

Unit: in Thousand NT Dollars

Project	Actual or Expected Source of Funds	Completion Date	Total Amount	2018	2019	2020	2021	2022	2023
Purchase Equipment	Working Capital	2018	216,397	216,397					
Purchase Equipment	Working Capital	2019	541,498		541,498				
Purchase Equipment	Working Capital	2020	255,086			255,086			
Purchase Equipment	Working Capital	2021	327,117				327,117		
Purchase Equipment	Working Capital	2022	358,247					358,247	
Purchase Equipment	Working Capital	2023	361,560						361,560

(II) Expected Benefits

1. New intelligent equipment related to false twisting, weaving, dyeing and finishing is purchased this year to increase productivity and reduce maintenance costs.
2. Construction of solar equipment in view of impact from climate change and trend of net zero carbon emissions, continue to invest in energy conservation and environment protection equipment to fulfill social responsibility while reducing production costs and increasing competitiveness.

V. Investment Policy for the Most Recent Year:

VI. Analysis Of Risk Factors: Analyze and Assess the Following Circumstances for the Most Recent Year and Until the Date of Publication of the Annual Report:

(I) The Effect Upon the Company's Profits (Losses) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to be Taken in the Future:

1. Interest rate change analysis:

   Global economic performance was not ideal in 2022 due to factors such as variant virus, Russian-Russian war, high inflation and climate change. Major economies started a cycle of raising interest rates to fight inflation, the US Federal Federation's rapid rate hike since March and reduced debt purchases since the second half of the year. The central bank also followed up a total of 2.5 yards for the year. The global economic outlook slowed the headwind in 2023. Under the influence of tightening monetary policy, inflation in Europe and the United States slowed slightly, and interest rate hike is expected to slow. The Company will continue to devote to the control of short-term and medium-term financing costs, regularly evaluate changes in bank borrowing rates and financial market rates, and strengthen the financial structure, and increase the ratio of medium to long term financing, taking into account liquidity and security, and making the best use of funds.

2. Foreign exchange fluctuation analysis:

   The dollar rose sharply in 2022, affected by the high inflation pressure and the aggressive interest rate hike of the US Federation. Looking forward to 2023, the global economic outlook is still facing many downside risks. With inflation data topping, the US Federal Conference is expected to gradually slow down the rate of interest rate hike, is expected to subside the dollar rising momentum, but real spreads between the US dollar and most currencies converge is relatively limited, so the dollar should be difficult to fall sharply. The Company's revenue is predominantly denominated in US dollars, hence exchange gains is expected from the appreciation of the US dollar while depreciation would create a risk of exchange loss. By using the same currency in sales and purchase, the resulted foreign currency assets and liabilities can offset against each other to achieve natural hedging results for the Company. On top of estimating the future trend of foreign exchange to maintain appropriate foreign exchange position to cope with future foreign currency payment needs, the Company also timed settlement of foreign currency positions to mitigate the impact of exchange rate fluctuations on the Company. In addition, the bank borrowed in USD to offset the exchange rate risk of USD receivables on some balance sheets, and keep abreast of international exchange rate trends and changes as a reference basis for adjusting foreign currency positions. Appropriate measures are also taken to minimize the risk of exchange rate fluctuations to minimize the risk of exchange rate fluctuations Substantive effects of operation.

3. Inflation:

   The main unit estimates the forecast of the annual growth rate of consumer price index (CPI) in 2023 of about 2.16%, mainly due to the global economic slowdown, weak demand for all kinds of materials, supply chain bottlenecks gradually easing, in favor of international crude oil and other raw material prices fall, plus the continuous shrinking cargo volume, the recent international shipping price index The number continued to lower, and the basis period was influenced by the expansion of cross-border tourism by the border unpacking, raising the prices of domestic services, and the increase in outside food and rent, so that the CPI rate showed fluctuations in the annual growth rate. Taiwan inflation is relatively mild compared to other countries because of parallel price adoption and gradual tightening of monetary policy in China's central bank, suppressing inflation expectations. However, the Company will continue to implement various cost-saving policies, keep an eye on fluctuations of market prices, and adjust according to the changes to reduce overall operating costs.

(II) The Company's Policy Regarding High-Risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements, Guarantees, and Derivatives Transactions; The Main Reasons for the Profits/Losses Generated Thereby; and Response Measures to be Taken in the Future:

1. The Company engages in derivative financial instrument transactions in accordance with the "Procedure for Acquisition or Disposal of Assets". Moreover, hedging strategies are based on the principles of stability and conservatism.
2. The Company follows "Operating Procedures for Loaning of Funds to Others" and "Operating Procedures for Endorsement/Guarantee". The current counterparties are all 100%-owned subsidiaries. In the future, we will continue to perform robust risk assessment and manage the Company's credit risk to avoid adverse impact on the Company.

(III) Research and Development Work to be Carried Out in the Future, and Further Expenditures Expected for Research and Development Work:

1. Continue to improve processing technology after dyeing and finishing and the development of environmentally friendly and non-toxic products.
2. Develop biomass materials and combine with intelligent production management in order to reduce the use of chemicals.
3. Continue the above-mentioned technological development, expand the research field, reinforce technology expertise and implement industry science and technology.
4. In 2023, 3% to 4% of revenue will be devoted to R&D expenses.

(IV) Effect on the Company's Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to be Taken in Response:

(V) To achieve the goal of "Zero Information Security Risks", the Company had developed a robust network and computer security protection system. Important network segments are protected and monitored, information security architecture is adopted, and information security education and training are implemented to ensure the effective control of information security and network risks. Further, personnel are designated to be responsible for the Company's information security management. In particular, network security (including robust anti-virus systems), firewalls, data backups, remote backup, etc. are implemented according to the operation. The Company will set up security officers and personnel in accordance with regulations by the end of 2023 to establish the corporate information security management structure.

Information confidentiality and integrity control measures are as follows:

1. Rights management and access control	Personnel account management and audit, file access control management, personnel remote access behavior restriction control. ERP system account password are changed regularly to reduce the risk of system data leakage.
2. Files archival	In addition to designating personnel to regularly backup server systems, and application software and databases, automated remote backups and storage (including Azure cloud) are also carried out to improve the security of files archival.
3. Data security protection	Real-time and effective identification, protection, detection, response and recovery are achieved through the use of various tools and technologies. Internal protection - virus protection mechanism installed on personal computers, vulnerabilities in the system software are regularly updated to reinforce defense of the computers. External protection - installed firewalls/intrusion detection mechanisms and various information security gateways, tight monitoring for abnormal network behavior, to eradicate risks of hacker intrusion and leakage of personal data.
4. Fast recovery of systems	Established a workflow for the response and recovery of abnormal incidents in information security with a view to quickly isolate and eliminate threats from information security incidents and reduce the scope and extent of impact. The host uses the HA mechanism and drills are regularly carried out for the recovery of different machines and systems to ensure its effectiveness.
5. Virtualization of servers	Virtualized all servers for centralized management. Established a redundancy mechanism for data storage devices to ensure data security and rapid recovery.
6. Executed personnel safety management and training	Paid close attention to latest information security updates and technologies, kept up with the times in defense or management methods to effectively block new types of information security threats and reduce operational risks. The Company stepped up on the advocacy for security awareness in various ways from time to time, fortified the infusion of information security awareness into daily work of employees, required system developers and managers to have adequate information security mindset and skills to reduce the risks of human errors and misuse of information assets.
7. Implementing advanced AI and multi-factor protection	Learn and implement AI protection software that intelligently learns hacker attacks to automatically block attacks and restore hacked files, and enhance account login complexity with multi-factor authentication to prevent hackers from gaining accounts.

(VI) Effect on the Company's Crisis Management of Changes in the Company's Corporate Image, and Measures to Be Taken in Response:

(VII) Expected Benefits and Possible Risks Associated with Any Merger and Acquisitions, and Mitigation Measures Being or to Be Taken:

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Mitigation Measures Being or To Be Taken:

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Mitigation Measures Being or To Be Taken:

(X) Effect Upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director or Shareholder Holding Greater Than A 10% Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, And Mitigation Measures Being or to Be Taken:

(XI) Effect Upon and Risk to Company Associated with Any Change in Governance Personnel or Top Management, And Mitigation Measures Being or to Be Taken:

(XII) Litigious And Non-Litigious Matters. List Major Litigious, Non-Litigious or Administrative Disputes That: (1) Involve the Company And/or Any Company Director, The President, Any Person with Actual Responsibility for the Firm, Any Major Shareholder Holding a Stake of Greater Than 10 Percent, And/or Any Company or Companies Controlled by The Company; And (2) Have Been

Concluded by Means of a Final and Unappealable Judgment, Or Are Still Under Litigation. Where Such a Dispute Could Materially Affect Shareholders' Equity or The Prices of The Company's Securities, The Annual Report Shall Disclose the Facts of The Dispute, Amount of Money at Stake in The Dispute, The Date of Litigation Commencement, The Main Parties to the Dispute, And the Status of the Dispute as of the Date of Publication of the Annual Report:

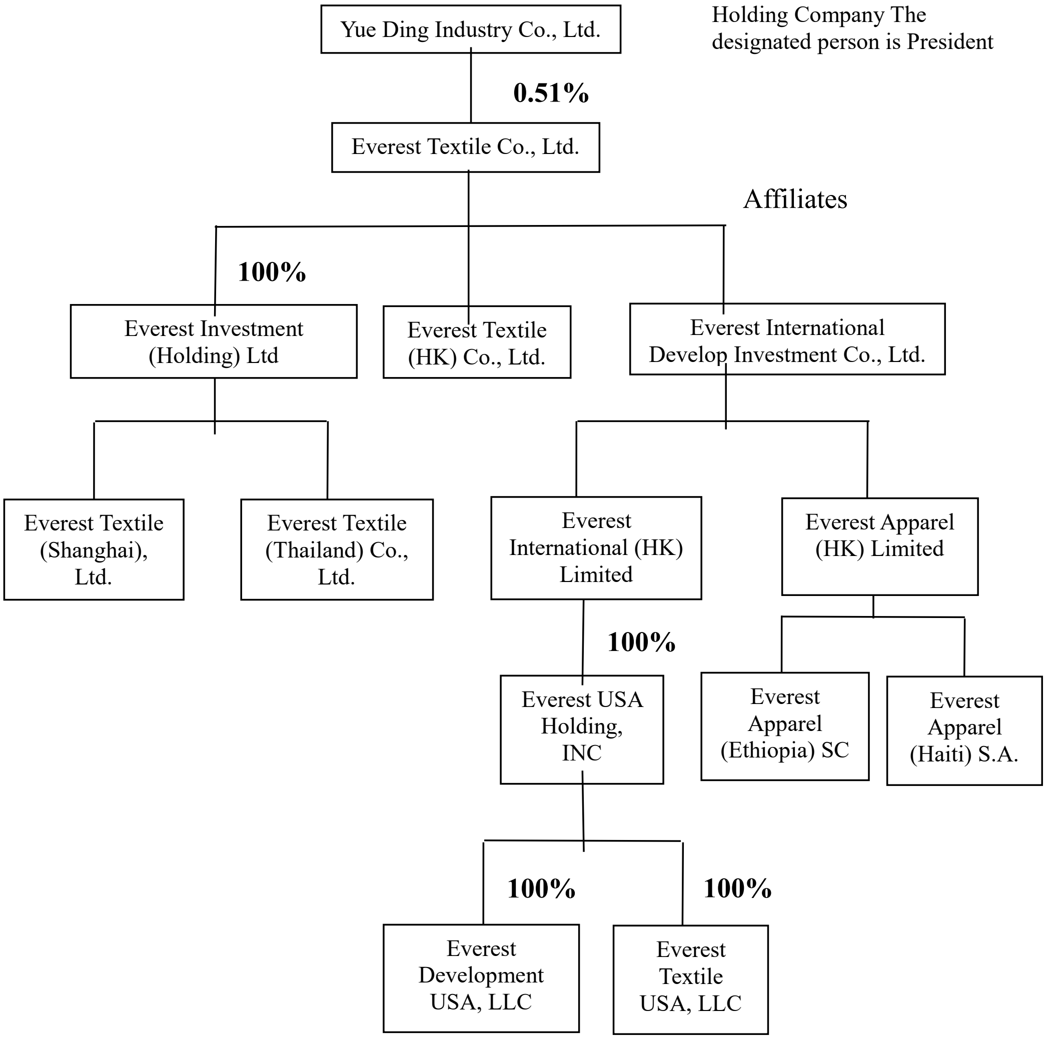
(XIII) Other Important Risks, And Mitigation Measures Being or to Be Taken:

VII. Other Important Matters:

I. Information on the Company's Affiliates

(I) Consolidated business report of affiliates

1. Organization chart of affiliates



2. Name, date of establishment, address, paid-in capital and major business activities of the affiliated companies:

Unit: in Thousand NTD

Company Name	Date Established	Address	Paid-in Capital	Major business or products
Everest Investment (Holding)	Jul 1997	Clarendon House 2 Church Street Hamilton HM 11	214	Investment
Ltd	Jun 1998	Bermuda	1,914,000	Investment
Everest International Develop	Jul 1993	2F, No. 168, Dunhua N. Rd., Taipei City	2,966	Trader
Investment Co., Ltd.	Jul 1998	Room 3006, Laws Commercial Plaza, 788, Cheung Sha	701,063	Textile Industry
Everest Textile (HK) Co., Ltd.	Jul 2006	Wan Road, Kowloon, Hong Kong		
Everest Textile (Thailand) Co.,	Dec 2016	13th Floor,Ploenchit Tower,898,Ploenchit Road Lumpini	980,349	Textile Industry
Ltd.		Pathumwan,Bangkok 10330	1,260,433	Investment
	Dec 2016	31F, No.800, Dongfang Road, Pudongxin District,		
Everest Textile (Shanghai) Ltd.	Oct 2016	Shanghai City, China	79,170	Investment
Everest USA Holding, INC	Dec 2016	850 New Burton Road,Suite 201,Dover,Kent Country,DE	1,181,263	Textile Industry
		19904	848,467	Investment
Everest Development USA,	Dec 2016	1331,West Main Street,Forest City,NC 28043	1,260,433	
LLC		1331,West Main Street,Forest City,NC 28043		Investment
Everest Textile USA, LLC	Feb 2017	Unit A,11/F.,Lippo Leighton Tower 103-109 Leighton	557,696	
Everest Apparel (HK) Limited		Road Causeway Bay,Hong Kong		Textile Industry
		Unit A,11/F.,Lippo Leighton Tower 103-109 Leighton		
Everest International (HK)	Feb 2017	Road Causeway Bay,Hong Kong	390,960	
Limited		Hawassa Industrial Park, Shed #34, #49, #50 Hawassa,		Textile Industry
		Ethiopia Parc Industriel de Caracol, Route de Caracol, No.		
Everest Apparel (Ethiopia) SC		14, Caracol, Département du Nord-Est, HT 2340, Haïti		
Everest Apparel (Haiti) S.A.				

3. Industries covered by whole-related enterprises: The main business of the whole related enterprise is the manufacture and sale of various textile products.

4. Information on Directors, Supervisors and President of related companies

Unit: share;%

Company Name	Title	Full name or Representative	Share Holdings	
			Shares	Shareholding %
Everest Investment (Holding) Ltd		**Everest International Develop Investment Co., Ltd.**	1,300	100%
	Chairman	Ching Lai Yeh (Representative)	-	-
	Director	Jian Cheng Wang (Representative)	-	-
	Director	Kao Shan Wu (Representative)	-	-
Everest International Develop Investment Co., Ltd.		**Everest International Develop Investment Co., Ltd.**	191,400,000	100%
	Chairman	Charles Wang (Representative)	-	-
	President	Ching Lai Yeh (Representative)	-	-
	Director	Wen Kuei Hsiang (Representative)	-	-
	Director	Hsien Shen Hung (Representative)	-	-
	Director	Kao Shan Wu (Representative)	-	-
	Independent director	Chin Chueh Kao (Representative)	-	-
Everest Textile (HK) Co., Ltd.		**Everest International Develop Investment Co., Ltd.**	695,000	99.30%
	Chairman/President	Hui Min Cheng	5,000	0.70%
Everest Textile (Thailand) Co., Ltd.		**Everest Investment (Holding) Ltd.**	79,999,993	99.90%
	Chairman/President	Ching Lai Yeh (Representative)	1	-
	Director	Johnny Hih (Representative)	1	-
	Director	Chen Jinliang (Representative)	1	-
	Director	Chin Chueh Kao (Representative)	1	-
	Director	Kin Son Du (Representative)	1	-
	Director	Kao Shan Wu (Representative)	1	-
	Director	Wen Kuei Hsiang (Representative)	1	-
Everest Textile (Shanghai) Ltd.		**Everest Investment (Holding) Ltd.**	-	-
	Chairman	Ching Lai Yeh (Representative)	-	-
	Director	Kin Son Du (Representative)	-	-
	Director	Min Zi Chen (Representative)	-	-
	Director	Kao Shan Wu (Representative)	-	-
	Director	Wen Kuei Hsiang (Representative)	-	-

Company Name	Title	Full name or Representative	Share Holdings	
			Shares	Shareholding %
	Director	Ming Yi Hsiao (Representative)	-	-
	Director	Xian Zhong Li (Representative)	-	-
Everest International (HK) Limited		**Everest International Develop Investment Co., Ltd.**	41,300,000	100%
	Chairman	Ching Lai Yeh	-	-
	Director	Jing Hai Liang	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Zhen Ni He	-	-
	Director	Min Ling Ma	-	-
Everest USA Holding, INC		**Everest International (HK) Limited**	1,000	100%
	Chairman	Ching Lai Yeh	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Ming Yi Hsiao	-	-
	Director	Chin Chueh Kao	-	-
Everest Development USA, LLC		**Everest USA Holding, INC**	2,500,000	100%
	Chairman	Ching Lai Yeh	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Ming Yi Hsiao	-	-
	Director	Chin Chueh Kao	-	-
Everest Textile USA, LLC		**Everest USA Holding, INC**	38,800,000	100%
	Chairman	Ching Lai Yeh	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Ming Yi Hsiao	-	-
	Director	Chin Chueh Kao	-	-
Everest Apparel (HK) Limited		**Everest International Develop Investment Co., Ltd.**	27,580,000	100%
	Chairman	Ching Lai Yeh	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Chin Chueh Kao	-	-
	Director	Zhen Ni He	-	-
	Director	Min Ling Ma	-	-
Everest Apparel (Ethiopia) SC		**Everest Apparel (HK) Limited**	542,415	100%
	Chairman	Ching Lai Yeh	-	-
	President	Shi Hui Chen	-	-
	Director	Wen Kui Hsiang	-	-
	Director	Chin Chueh Kao	-	-
	Director	Sen Mao Wu	-	-
Everest Apparel (Haiti) S.A.		**Everest Apparel (HK) Limited**	4,000	100%
	Chairman	Ching Lai Yeh	-	-
	President	Chin Chueh Kao	-	-
	Director	Wen Kui Hsiang	-	-

5. Operational Highlights of affiliates

Unit: in Thousand NTD

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Worth	Revenue	Operating Profit	Net Income (After Tax)	EPS (NT$)(After Tax)
Everest Investment (Holding) Ltd	214	2,984,905	18,872	2,966,033	0	(253)	196,732	151,332.31
Everest International Develop Investment Co., Ltd.	1,914,000	796,739	335,995	460,744	0	(330)	(208,913)	(1.09)
Everest Textile (HK) Co., Ltd.	2,966	1,087	59	1,028	2,824	(377)	(338)	(0.48)
Everest Textile (Thailand) Co., Ltd.	701,063	2,064,225	784,323	1,279,902	2,040,790	34,011	8,618	0.11
Everest Textile (Shanghai) Ltd.	980,349	2,008,562	304,319	1,704,243	2,241,076	185,730	187,783	不適用
Everest International (HK) Limited	1,260,433	2,067,589	972,705	1,094,884	1,006,728	21,413	36,844	0.89
Everest Apparel (HK) Limited	848,467	(331,380)	110,560	(441,940)	0	(119)	(239,719)	(8.69)
Everest USA Holding, INC	1,260,433	955,827	146	955,681	0	0	(6,328)	(6,328.00)
Everest Development USA, LLC	79,170	187,954	135,080	52,874	0	(5,412)	(6,298)	(2.52)
Everest Textile USA, LLC	1,181,263	2,507,920	1,613,797	894,123	709,350	42,078	(486)	(0.01)
Everest Apparel (Ethiopia) SC	557,696	968,298	941,237	27,061	174,318	(134,348)	(45,399)	(83.70)
Everest Apparel (Haiti) S.A.	390,960	460,115	818,730	(358,615)	95,135	(174,717)	(191,038)	(47,759.50)

(II) Consolidated financial statements of affiliates

For the year 2022 (from January 1 to December 31, 2022), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

(III) Affiliation Report:

1. CPA review opinion

Referenced Letter Qin-Nan No. 11200278 dated 04.27.2023

To Everest Textile Co., Ltd.

Subject: We express our opinions on the Company's 2022 affiliation report that it does not contain any material inconsistency.

Description:

I. The Company's 2021 Affiliation Report dated on Mar 27, 2023 was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," and there was no material inconsistency between the information disclosed in the affiliation report and relevant information disclosed in the notes to financial reports in the above period. The statement is as in the attachment.

II. We have compared the Notes to Financial Statements in the Company's 2022 Financial Statements with the Company's Affiliation Report based on the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises", and have not found any material discrepancies in the aforementioned statements.

Deloitte & Touche

CPA Lou Liao

CPA Li-yuan Guo

2. Statement of the Affiliation Report

Statement of the Affiliation Report

For the year 2022 (from January 1 to December 31, 2021), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

Hereby certify

HONG YUAN ENTERPRISE CO., LTD.

Chairman: Johnny Hih

March 27, 2023

3. Overview of the relationship between the affiliated company and the controlling company

Name of the Controlling Company	Reason of Control	Shareholding and Pledges			Personnel Designated by the Controlling Company to Serve as a Director or Manager	
		Shareholdings	Shareholding %	Shares Pledged	Title	Name
Yue Ding Industry Co., Ltd.	Appointed personnel are hired as the Company's President	3,553,661	0.51%	0	President	Ching Lai Yeh

4. Status of purchase and sales transactions:
5. Status of property transactions:
6. Status of financing:
7. Status of asset leasing:
8. Other significant transactions:
9. Endorsements/guarantees:

II. Status of Private Placement of Securities:

III. The Shares of the Company Held or Disposed of by Subsidiaries in the Most Recent Years:

Subsidiary	Amount of paid up capital (thousand yuan)	Source of Fund	Shareholding %	Date of Acquisition or Disposal	Amount and Number of Shares Acquired	Amount and Number of Shares Disposed	Investment gain/loss	Shares Held and the Amount as of the date of Annual Report Publication	Pledge	Guarantee for Subsidiary	Loans to subsidiaries
Everest International Develop Investment Co., Ltd.	1,914,000	Original subscription	100%	2002.08.21 2004.08.06 2005.08.02 2006.08.23 2007.09.15 2018.04.11 2018.09.10 2020.09.26 2021.06.01	APIC transferred to 915,761 Shares APIC transferred to 943,234 Shares APIC transferred to 647,687 Shares APIC transferred to 674,524 Shares Dividend From Earnings 1,348,263 Shares Dividend From Earnings 501,096 Shares Dividend From Earnings 511,118 Shares	10,000 thousand shares NT$130,000 thousand Capital reduction 5,889 thousand Shares	NT$-3,363 thousand	Share: 20,178 shares Amount: NT$332,836 thousand	NIL.	NT$5.4 million	NIL.

IV. Supplementary Disclosures:

V. Events during the Most Recent Year and up to the Date of Annual Report Publication that had Significant Impact on the Shareholders' Equity or Security Prices as Stated in the Article 36.3.2 of the Securities and Exchange Act:

Stock Code: 1460

Everest Textile Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report for the Years Ended December 31, 2022 and 2021

Address: No. 256, Minghe Vil., Shanshang Dist., Tainan City, Taiwan (R.O.C.)

Tel: (06) 578-2561

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, 2022 (commencing from January 1 to December 31, 2022) 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 27, 2023

Independent Auditors' Report

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

Audit Opinion

We have audited the consolidated balance sheets of Everest Textile Co., Ltd. and its subsidiaries (the “Group”) as of December 31, 2022and2021, the statements of comprehensive income for the years endedDecember31, 2022 and2021, statements of changes in equity, statements of cash flows for the years then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors (refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and kissed into effect by the Financial Supervisory Commission (FSC) of ROC.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 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, 2022, are as follows:

The Group is mainly engaged in the manufacturing and sales of various textiles such as chemical fibers, cotton and blended fabrics. The sales revenue of filament fabric of the Company has a significant impact on the overall operating income and profit of the Group, and therefore we have identified the authenticity of the sales revenue of filament fabric from specific customers of the Company as a key audit matter.

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

I. We reviewed the relevant internal control mechanism and operating procedures of sales transaction cycle and designed the internal control audit procedures accordingly to assess the effectiveness of the internal control operations.

II. We conducted sample checking on the sales revenue of filament fabric from the Company's specific customers and checked the shipping documents, customs documents and payment documents in order to verify the recognition and payment status of its revenue as well as confirm the authenticity of the sales transactions.

Other Matters

Regarding the subsidiaries included in the Group's consolidated financial statements, the financial statements of Everest Textile (Thailand) Co., Ltd., Everest USA Holdings, Inc., Everest Development USA, LLC., and Everest Textile USA, LLC for the year ended December 31, 2022 were audited by other auditors. In addition, the financial statements of Everest Textile (Thailand) Co., Ltd., Everest Apparel (Ethiopia) S.C., Everest Apparel (Haiti) S.A., Everest USA Holdings, Inc., Everest Development USA, LLC., and Everest Textile USA, LLC for the year ended December 31, 2021 were also audited by other auditors. As of December 31, 2022 and 2021, the total assets of the above subsidiaries were NT$1,350,743 thousand and NT$2,686,915 thousand, respectively, accounted for 9% and 18% of the consolidated total assets. The net operating revenue was NT$236,957 thousand and NT$1,240,991 thousand, respectively, accounted for 2% and 12% of the net consolidated operating revenue for the years ended December 31, 2022 and 2021, respectively.

We have also audited the parent company only financial statements of Everest Textile Co., Ltd. as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion with the sections of Emphasis of Matters and Other Matters for the year ended December 31, 2021, and an unqualified opinion with the section of Other Matters for the year ended December 31, 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, 2022. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Lou Liao

CPA Li-yuan Guo

Financial Supervisory Commission
Approval No.
Jin-guan-zheng-shen-zi No. 0990031652

Securities and Futures Commission
Approval No.
Tai-cai-zheng-liu-zi No. 0920123784

March 27,2023

Everest Textile Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: NT$ Thousands

Code	Assets	December31,2022 Amount	%	December 31, 2021 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Notes 4 and 6)	$ 547,231	4	$ 481,903	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Notes 4 and 7)	189	-	5,062	-
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 8)	-	-	81,526	1
1150	Notes Receivable (Notes 4, 10, and 21)	54,553	-	62,393	1
1170	Trade Receivables (Notes 4, 21, and 27)	1,149,237	8	1,902,269	13
1200	Other Receivables (Notes 4 and 27)	452,048	3	55,914	-
1220	Current Tax Assets (Note 23)	11,072	-	6,186	-
130X	Inventories (Notes 4 and 11)	6,148,768	41	5,721,143	39
1470	Other Current Assets (Note 15)	302,909	2	134,647	1
11XX	Total Current Assets	8,666,007	58	8,451,043	58
	Non-Current Assets				
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 and 8)	5,267	-	3,448	-
1600	Property, Plant and Equipment (Notes 4, 13, 28)	5,625,211	38	5,453,756	37
1755	Right-Of-Use Assets (Notes 4 and 14)	490,919	3	482,329	3
1840	Deferred Tax Assets (Notes 4 and 23)	130,690	1	136,977	1
1990	Other Non-Current Assets (Notes 9, 15, and 28)	59,426	-	80,199	1
15XX	Total Non-Current Assets	6,311,513	42	6,156,709	42
1XXX	Total Assets	$ 14,977,520	100	$ 14,607,752	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-Term Borrowings (Notes 16, 27, and 28)	$ 3,774,426	25	$ 3,010,987	21
2110	Short-Term Bills Payable (Note 16)	869,457	6	899,785	6
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current (Notes 4 and 7)	240	-	22	-
2130	Contract Liabilities - Current (Note 21)	56,820	1	53,593	-
2150	Notes Payable (Note 17)	19,621	-	81,335	1
2160	Notes Payable to Related Parties (Notes 17 and 27)	17,048	-	19,337	-
2170	Trade Payables (Note 17)	502,472	4	728,657	5
2180	Trade Payables to Related Parties (Notes 17 and 27)	22,483	-	53,341	-
2219	Other Payables (Note 18)	432,343	3	469,482	3
2220	Other Payables to Related Parties (Note 27)	22,205	-	52,716	-
2230	Current Tax Liabilities (Note 23)	20,682	-	67,076	1
2250	Refund Liabilities - Current	7,154	-	7,154	-
2280	Lease Liabilities - Current (Notes 4, 14, and 27)	105,778	1	95,016	1
2322	Long-Term Borrowings Due Within One Year (Notes 16, 27, and 28)	490,000	3	830,000	6
2399	Other Current Liabilities (Note 18)	43,184	-	16,406	-
21XX	Total Current Liabilities	6,383,913	43	6,384,907	44
	Non-Current Liabilities				
2540	Long-Term Borrowings (Notes 16, 27 and 28)	885,918	6	717,500	5
2570	Deferred Tax Liabilities (Notes 4 and 23)	169,668	1	170,505	1
2580	Lease Liabilities - Non-Current (Notes 4, 14, and 27)	439,248	3	440,174	3
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 19)	42,937	-	76,619	-
2645	Guarantee Deposits	720	-	720	-
2670	Other non-current liabilities	402	-	474	-
25XX	Total Non-Current Liabilities	1,538,893	10	1,405,992	9
2XXX	Total Liabilities	7,922,806	53	7,790,899	53
	Equity Attributable to Owners of The Company (Note 20)				
	Share Capital				
3110	Ordinary Shares	6,946,434	46	6,946,434	47
3200	Capital Surplus	115,943	1	115,943	1
	Retained Earnings				
3310	Legal Reserve	192,358	1	174,022	1
3320	Special Reserve	248,096	2	83,073	1
3350	Undistributed Earnings	64,008	-	183,359	1
3300	Net Retained Earnings	504,462	3	440,454	3
3400	Other Equity Interest	(179,296)	(1)	(353,151)	(2)
3500	Treasury Shares (Note 4)	(332,836)	(2)	(332,836)	(2)
31XX	Total Equity Attributable to Owners of the Parent	7,054,707	47	6,816,844	47
36XX	Non-Controlling Interests	7	-	9	-
3XXX	Total Equity	7,054,714	47	6,816,853	47
	Total Liabilities and Equity	$ 14,977,520	100	$ 14,607,752	100

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

(Refer to Deloitte & Touche auditors' report dated March 28, 2023)

Chairman: Johnny Hih | Manager: Ching Lai Yeh | Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

(NT$ for earnings per share)

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

(Continued)

(Continued)

Code		2022 Amount	2022 %	2021 Amount	2021 %
8200	Net profit for the year	$ 21,842	-	$ 181,871	2
	Other Comprehensive Income/(Loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Re-measurement of defined benefit plans (Note 19)	35,327	-	1,860	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,598	-	784	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(7,065)	-	(371)	-
		32,860	-	2,273	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	183,159	2	(189,910)	(2)
8300	Other comprehensive income/(loss) for the year, net of income tax	216,019	2	(187,637)	(2)
8500	Total comprehensive income/(loss) for the year	$ 237,861	2	($ 5,766)	-
8600	Net profit (loss) attributable to:				
8610	Owners of the Company	$ 21,844	-	$ 181,871	2
8620	Non-Controlling Interests	(2)	-	-	-
		$ 21,842	-	$ 181,871	2
8700	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Company	$ 237,863	2	($ 5,766)	-
8720	Non-Controlling Interests	(2)	-	-	-
		$ 237,861	2	($ 5,766)	-
	Earnings per share (Note 24)				
9710	Basic	$ 0.03		$ 0.39	
9810	Diluted	0.03		0.39	

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

Chairman: Johnny Hih Manager: Ching Lai Yeh Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

		Equity attributable to owners of the Company											
		Share Capital		Retained Earnings			Other Equity Items						
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 or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-Controlling Interests	Total Equity
A1	Balance on January 1, 2021	$ 5,098,341	$ 99,644	$ 174,022	$ 83,073	($ 1,151,908)	($ 176,517)	$ 12,492	($ 164,025)	($ 332,836)	$ 3,806,311	$ 9	$ 3,806,320
F1	Capital reduction to cover accumulated deficits (Note 20)	(1,151,907)	-	-	-	1,151,907	-	-	-	-	-	-	-
E1	Cash capital increase (Note 20)	3,000,000	16,299	-	-	-	-	-	-	-	3,016,299	-	3,016,299
D1	Net Profit for The Year Ended December 31, 2021	-	-	-	-	181,871	-	-	-	-	181,871	-	181,871
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2021, Net of Income Tax	-	-	-	-	1,489	(189,910)	784	(189,126)	-	(187,637)	-	(187,637)
D5	Total Comprehensive Income (Loss) for the Year Ended December 31, 2021	-	-	-	-	183,360	(189,910)	784	(189,126)	-	(5,766)	-	(5,766)
Z1	Balance on December 31, 2021	6,946,434	115,943	174,022	83,073	183,359	(366,427)	13,276	(353,151)	(332,836)	6,816,844	9	6,816,853
	Distribution of 2021 earnings (Note 20)												
B1	Legal Reserve	-	-	18,336	-	(18,336)	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	165,023	(165,023)	-	-	-	-	-	-	-
D1	Net Profit for The Year Ended December 31, 2022	-	-	-	-	21,844	-	-	-	-	21,844	(2)	21,842
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2022, Net of Income Tax	-	-	-	-	28,262	183,159	4,598	187,757	-	216,019	-	216,019
D5	Total Comprehensive Income for the Year Ended December 31, 2022	-	-	-	-	50,106	183,159	4,598	187,757	-	237,863	(2)	237,861
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-	-	-	-
Z1	Balance on December 31, 2022	$ 6,946,434	$ 115,943	$ 192,358	$ 248,096	$ 64,008	($ 183,268)	$ 3,972	($ 179,296)	($ 332,836)	$ 7,054,707	$ 7	$ 7,054,714

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

(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

Chairman: Johnny Hih Manager: Ching Lai Yeh Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

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

(Continued)

(Continued)

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

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

Chairman: Johnny Hih Manager: Ching Lai Yeh Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(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 consolidated financial statements were approved by the Board on March 9, 2023.

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 2023

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: This amendment applies to the annual reporting period commencing after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for the recognition of deferred income tax on temporary differences in leases and decommissioning obligations on January 1, 2022, the amendment applies to transactions occurring after January 1, 2022.

As of the approval date for the publishing of the Consolidated Financial Statements, the Group has assessed that the amendments to the abovementioned standards and interpretations are not expected to have any significant impact on its financial position and financial performance.

(III) IFRSs that have been issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

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 its 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 the 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 and cash equivalents (excluding those being restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

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

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

(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. At the time of preparation of the consolidated financial statements, all intra-group transactions, account balances, income, and expenses are eliminated in full. The total comprehensive income of subsidiaries is attributed to owners of the Company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(V) Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period, except for the changes in the fair value are recognized in other comprehensive income/(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) and attributable to the owners of the Company and non-controlling interests of the Company respectively.

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

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

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

(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 Company estimates the recoverable amount of the asset. When it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or asset related to contract costs shall be increased to the revised recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or asset related to contract costs 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 gains or losses arising from re-measurement are recognized in other gains and losses. Please refer to Note 26 for the methods to determine fair value.

B. Financial assets at amortized cost

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

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

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

Loss allowances are recognized against trade receivables based on the lifetime expected credit loss. For other financial instruments, the Company 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 Group expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

3. Current and deferred income taxes

Current and deferred 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, 2022 and 2021.

VI. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 5,960	$ 5,600
Checks and demand deposits in banks	397,964	476,303
Cash equivalents (Investments with an initial maturity of less than 3 months)		
Bank time deposits	143,307	-
	$ 547,231	$ 481,903

The time deposit interest rate range with an initial maturity of more than 3 months as of December 31, 2022 is 1.90% to 1.96%.

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Held-for-trading		
Derivatives (not designated for hedging)		
-Forward exchange contracts	$ 189	$ 5,062
Financial liabilities - current		
Held-for-trading		
Derivatives (not designated for hedging)		
-Forward exchange contracts	$ 240	$ 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, 2022

Contract Content	Currency	Expiration Period	Contractual amount (NT$ in thousands)
Purchase of forward exchange contracts	RMB:USD	2023.01.09～2023.01.19	RMB 62,564/USD 9,000

December 31, 2021

Contract Content	Currency	Expiration Period	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, 2022 and 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, 2022 and 2021, the valuation gain (loss) on financial assets and liabilities at fair value through profit or loss was a profit of (NT$16,484 thousand) and a loss of NT$5,985 thousand, respectively, 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, 2022	December 31, 2021
Current		
Domestic investments		
Shares of listed companies		
Far Eastern International Bank Co., Ltd. - ordinary shares	$ -	$ 81,526
Non-current		
Domestic investments		
Unlisted shares		
Jin Lead Industrial Co., Ltd. - ordinary shares	$ 5,252	$ 3,433
Dah Chung Bills Finance Corp. - ordinary shares	15	15
	$ 5,267	$ 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. Financial assets at amortized cost - December 31, 2022

	Amount
Non-current (accounted for as other non-current assets)	
Pledge time deposit with an initial maturity of more than 3 months	$ 100

(I) The time deposit interest rate with an initial maturity of more than 3 months as of December 31, 2022 is 1.46%.

(II) Please refer to Note 28 for the information on pledges of financial assets measured at cost after amortization.

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

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized costs		
Gross carrying amount - arising due to operations	$ 54,553	$ 62,393
Trade receivables		
Measured at amortized costs		
Gross carrying amount		$ 1,920,575
Less: allowance for losses	126,386	18,306
	$ 1,149,237	$ 1,902,269

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

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

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

As of December 31, 2022 and 2021, 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, 2022

	No indicators of impairment for the individual asset exists.				
	90 days and below	91 - 180 days	181 days and above	Indicators of impairment for the individual asset exist.	Total
Rate of expected credit loss	0%～8.76%	0%～25.71%	0%～100%	100%	
Gross carrying amount	$ 941,314	$ 106,210	$ 142,966	$ 85,133	$ 1,275,623
Allowance for loss (lifetime expected credit loss)	(1,497)	(110)	(39,646)	(85,133)	(126,386)
Amortized costs	$ 939,817	$ 106,100	$ 103,320	$ -	$ 1,149,237

December 31, 2021

	No indicators of impairment for the individual asset exists.			
	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

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

	2022	2021
Opening balance	$ 18,306	$ 23,328
Add: Allowance for the year	106,612	-
Less: Reversed during the year	-	(3,307)
Less: Write-off during the year	(4)	-
Differences of foreign currency translation	1,472	(1,715)
Closing balance	$ 126,386	$ 18,306

XI. Inventories

	December 31, 2022	December 31, 2021
Finished goods	$ 3,780,767	$ 3,472,823
Work in progress	1,726,974	1,796,334
Raw materials	309,089	223,591
Supplies	331,938	228,395
	$ 6,148,768	$ 5,721,143

The cost of sales related to inventories for the years ended December 31, 2022 and 2021 was NT$8,115,340 thousand and NT$8,088,599 thousand, respectively. Among them, the amount of inventory damage due to fire in 2022 was NT$425,052 thousand, which was included in the Other Gains and Losses of the Consolidated Statement of Comprehensive Income.

XII. 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, 2022	Shareholding ratio (%) December 31, 2021
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

XIII. 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, 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
Recognized impairment loss	-	-	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
Costs								
Balance on January 1, 2022	$ 700,702	$ 2,125,892	$ 5,476,640	$ 79,572	$ 429,941	$ 1,474,583	$ 46,544	$ 10,333,874
Additions	-	43,869	346,895	10,866	22,150	126,356	49,150	599,286
Disposals	-	(29,534)	(127,002)	(5,996)	(25,995)	(29,566)	-	(218,093)
Net exchange difference	6,877	60,992	239,582	4,414	16,963	134,352	5,301	468,481
Balance on December 31, 2022	$ 707,579	$ 2,201,219	$ 5,936,115	$ 88,856	$ 443,059	$ 1,705,725	$ 100,995	$ 11,183,548
Accumulated depreciation and impairment								
Balance on January 1, 2022	$ -	$ 1,089,201	$ 2,861,510	$ 50,882	$ 234,525	$ 644,000	$ -	$ 4,880,118
Depreciation expenses	-	84,701	364,367	12,650	46,337	174,333	-	682,388
Disposals	-	(24,755)	(123,899)	(5,436)	(25,957)	(29,566)	-	(209,613)
Net exchange difference	-	26,761	109,929	2,838	11,650	54,266	-	205,444
Balance on December 31, 2022	$ -	$ 1,175,908	$ 3,211,907	$ 60,934	$ 266,555	$ 843,033	$ -	$ 5,558,337
Net balance on December 31, 2022	$ 707,579	$ 1,025,311	$ 2,724,208	$ 27,922	$ 176,504	$ 862,692	$ 100,995	$ 5,625,211

The Group has not recognized or reversed any impairment losses in for the year ended December 31, 2022. 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 in the year ended December 31, 2021. The valuation method of the asset valuation report issued by independent experts is based on the cost method, which belongs to 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	3-56 years
Engineering systems	5-56 years
Machinery and equipment	2 - 30 years
Transportation equipment	2 - 16 years
Furniture and fixtures	3 - 15 years
Miscellaneous equipment	2-15 years

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

XIV. Lease Agreements

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Buildings	$ 487,938	$ 480,752
Transportation equipment	2,981	1,577
	$ 490,919	$ 482,329

	2022	2021
Addition of right-of-use assets	$ 145,419	$ 52,177
Depreciation expense of right-of-use assets		
Buildings	$ 124,997	$ 100,696
Transportation equipment	1,539	1,659
	$ 126,536	$ 102,355

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 105,778	$ 95,016
Non-current	$ 439,248	$ 440,174

The discount rate ranges for lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Buildings	1.01%～4.12%	1.02%～4.12%
Transportation equipment	1.06%～1.62%	1.06%～1.16%

(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, offices, and retail outlets, and the lease period is 1-13 years. At the end of the lease period, the Group has no right of first refusal for the leased building.

(IV) Other lease information

	2022	2021
Short-term lease expenses	$ 20,223	$ 22,469
Total cash outflows on lease	$ 152,199	$ 130,672

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

XV. Other assets

	December 31, 2022	December 31, 2021
Current		
Prepayments for goods	$ 201,601	$ 63,785
Prepaid expenses	56,680	29,502
Input tax	24,905	25,305
Refundable deposits	357	391
Others	19,366	15,664
	$ 302,909	$ 134,647
Non-current		
Prepayments for equipment	$ 40,947	$ 62,625
Refundable deposits	18,379	17,574
Others	100	-
	$ 59,426	$ 80,199

XVI. Borrowings

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Bank credit borrowings	$ 1,512,798	$ 525,397
Bank secured borrowings	2,109,656	2,100,280
Bank mortgage borrowings	151,972	385,310
	$ 3,774,426	$ 3,010,987

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

	December 31, 2022	December 31, 2021
Bank credit borrowings	1.15%～6.30%	0.62%～2.00%
Bank secured borrowings	2.15%～7.59%	1.15%～3.02%
Bank mortgage borrowings	1.86%～6.45%	0.80%～2.03%

(II) Short-term bills payable

December 31, 2022

Promissory institution	Nominal amount	Discount amount	Carrying amount	Interest rate range (%)	Name of the collateral
Commercial paper payable					
China bills	$ 300,000	$ 133	$ 299,867	1.35	None
China bills	200,000	36	199,964	1.29	None
China bills	100,000	53	99,947	1.30	None
Ta Ching bills	150,000	250	149,750	1.90	None
International bills	120,000	71	119,929	1.80	None
	$ 870,000	$ 543	$ 869,457		

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
		$ 215	$ 899,785		

(III) Long-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Bank credit borrowings	$ 1,247,500	$ 1,000,000
Secured borrowings		
Bank mortgage borrowings	128,418	547,500
	1,375,918	1,547,500
Less: Those mature within one year	490,000	830,000
	$ 885,918	$ 717,500

The abovementioned bank borrowings fall due one after another by December 2025. The interest rate per annum on December 31, 2022 and 2021 is 1.50%-2.71% and 0.95%-1.47%, respectively.

XVII. Notes Payable (including Those from Related Parties) and Trade Payables (including Those from Related Parties)

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

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

XVIII. Other current liabilities

	December 31, 2022	December 31, 2021
Other payables		
Payable for salaries or bonuses	$ 177,738	$ 190,238
Payable for annual leave	27,362	16,663
Payable for pension	26,541	16,727
Payable for utilities	25,534	29,833
Payable for labor and health insurance	20,686	20,380
Payable for shipping expenses	20,495	30,916
Payable for purchases of equipment	10,532	17,376
Payable for commissions	6,254	12,615
Payable for employees' compensation	4,855	3,949
Payable for processing expenses	4,453	9,249
Others	107,893	121,536
	$ 432,343	$ 469,482
Other liabilities		
Receipts under custody	$ 35,538	$ 9,619
Guarantee Deposits	4,068	5,867
Others	3,578	920
	$ 43,184	$ 16,406

XIX. 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, 2022	December 31, 2021
Present value of defined benefit obligation	$ 386,564	$ 410,581
Fair value of plan assets	(343,627)	(333,962)
Net defined benefit liabilities	$ 42,937	$ 76,619

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, 2021	$ 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
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)

(Continued)

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
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
Service cost			
Current service cost	38,683	-	38,683
Interest expenses (income)	3,079	(2,639)	440
Recognized in profit or loss	41,762	(2,639)	39,123
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(25,207)	(25,207)
Actuarial losses - changes in financial assumptions	$ 18,994	$ -	$ 18,994
Actuarial gains - experience adjustments	(29,114)	-	(29,114)
Recognized in other comprehensive income/ (loss)	(10,120)	(25,207)	(35,327)
Contributions from the employer	-	(37,478)	(37,478)
Benefits paid	(55,659)	55,659	-
Balance on December 31, 2022	$ 386,564	($ 343,627)	$ 42,937

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

	2022	2021
Operating costs	$ 29,586	$ 30,566
Selling and Marketing Expenses	2,025	1,356
General and Administrative Expenses	4,915	4,770
Research and Development Expenses	2,597	2,011
	$ 39,123	$ 38,703

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, 2022	December 31, 2021
Discount rate	1.40%	0.75%
Expected growth rate of salary	2.50%	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, 2022	December 31, 2021
Discount rate		
Increase 0.25%	($ 6,453)	($ 6,497)
Decrease 0.25%	$ 6,634	$ 6,679
Expected growth rate of salary		
Increase 0.25%	$ 6,348	$ 6,376
Decrease 0.25%	($ 6,207)	($ 6,232)

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, 2022	December 31, 2021
Expected contributions to the plan within one year	$ 37,478	$ 35,739
Average duration of the defined benefit obligation	7 years	7 years

XX. Equity

(I) Ordinary Shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	800,000	800,000
Share capital authorized	$ 8,000,000	$ 8,000,000
Number of shares issued and paid-up (in thousands)	694,643	694,643
Share capital issued	$ 6,946,434	$ 6,946,434

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. 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 costs of employees' compensation 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, 2022	December 31, 2021
May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital		
Premium on issuance of shares	$ 16,299	$ 16,299
Treasury share transactions (Note)	99,644	99,644
	$ 115,943	$ 115,943

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 22(8) "Employees' compensation and remuneration of directors and supervisors".

The Company appropriates dividends according to a stable dividend distribution while taking into account the features of economic changes regarding its business, the effects of products or services, in terms of their 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 than 10% of the current shareholders' bonuses for the year.

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

The Company's appropriation of earnings for 2021 and appropriations of deficit for 2020 were approved at the shareholders' meetings on June 16, 2022 and May 4, 2021, respectively.

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

The Company's resolution on earnings distribution for 2022 approved by the Board of Directors on March 9, 2023 is as follows:

	2022
Legal reserve provided	$ 6,401
Special reserve provided	$ 57,608

The appropriation of earnings for 2022 is subject to resolution at the shareholders' meeting to be held on June 9, 2023.

(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, 2022						
Shares of the Company held by subsidiaries as a deduction to equity	20,178	-	-	20,178	$ 332,836	$ 143,059
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

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.

XXI. Revenue

	2022	2021
Revenue from the sales of goods	$ 9,807,785	$ 10,003,250
Service revenue	-	3,483
	$ 9,807,785	$ 10,006,733

(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, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 54,553	$ 62,393	$ 4,026
Trade receivables	$ 1,149,237	$ 1,902,269	$ 1,336,873
Contract liabilities – current			
Sales of goods	$ 56,820	$ 53,593	$ 55,190

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:

	2022	2021
Contract liabilities at the beginning of the year		
Sales of goods	$ 53,593	$ 55,190

(III) Disaggregation of revenue from customer contracts

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

XXII. Net profit before income tax

(I) Other Operating Income and Expenses, Net

	2022	2021
Impairment loss of property, plant and equipment	$ -	($ 6,119)
Gains (losses) on disposal of property, plant and equipment	3,251	(5,818)
	$ 3,251	($ 11,937)

(II) Interest Income

	2022	2021
Bank deposits	$ 5,118	$ 7,393
Others	33	34
	$ 5,151	$ 7,427

(III) Other Income

	2022	2021
Grants	$ 4,867	$ 25,637
Dividend income	1	2,427
Others	68,222	59,326
	$ 73,090	$ 87,390

(IV) Other Gains and Losses

	2022	2021
Loss by fire (Note 30)	($ 449,532)	$ -
Gain on insurance proceeds (Note 30)	415,397	-
Gain on foreign currency exchange	576,619	259,054
Loss on foreign currency exchange	(457,432)	(342,174)
Gain (loss) on financial assets at fair value through profit or loss	(16,484)	5,985
Others	961	729
	$ 69,529	($ 76,406)

(V) Interest Expenses

	2022	2021
Interests on bank borrowings	$ 123,957	$ 85,059
Interest on lease liabilities	11,315	9,526
Less: Amounts included in the cost of required assets	1,431	929
	$ 133,841	$ 93,656

Information related to interest capitalization is as follows:

	2022	2021
Amount of interest capitalization	$ 1,431	$ 929
Interest rate on interest capitalization	1.15%～1.77%	1.02%～1.15%

(VI) Depreciation expenses

	2022	2021
An analysis of depreciation by function		
Operating costs	$ 724,517	$ 662,137
Operating expenses	84,407	88,651
	$ 808,924	$ 750,788

(VII) Employee benefits expenses

	2022	2021
Short-term employee benefits		
Salaries	$ 1,698,974	$ 1,729,892
Labor and health insurance	201,002	156,243
Others	157,313	138,751
	2,057,289	2,024,886
Retirement benefits		
Defined contribution plans	83,389	77,397
Defined benefit plans (Note 19)	39,123	38,703
	122,512	116,100
	$ 2,179,801	$ 2,140,986
By function		
Operating costs	$ 1,603,222	$ 1,551,736
Operating expenses	576,579	589,250
	$ 2,179,801	$ 2,140,986

(VIII) Employees' compensation and remuneration of directors

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 employees' compensation and remuneration of directors for the year ended December 31, 2022 and 2021, which were approved by the Board of Directors on March 9, 2023 and March 3, 2022, respectively, were as follows:

Estimated percentage

	2022	2021
Employees' compensation	3.5%	2.0%
Remuneration of directors	-	-

Amount

	2022	2021
Employees' compensation	$ 906	$ 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.

There is no difference between the actual distribution of employees' compensation and remuneration of directors in 2021 and the recognized amount in the consolidated financial statements in 2021.

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.

XXIII. Income tax

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

	2022	2021
Current income tax		
Incurred during the year	$ 94,556	$ 107,948
Adjustments for prior years	(4,544)	2,005
	90,012	109,953
Deferred income tax		
Incurred during the year	(473)	(2,336)
	$ 89,539	$ 107,617

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

	2022	2021
Net profit before income tax	$ 111,381	$ 289,488
Income tax expenses calculated based on the net profit before income tax at the statutory rate	$ 99,978	$ 118,461
Non-deductible expenses in determining taxable income	813	1,564
Unrecognized loss carryforwards	2,603	8,350
Tax-exempt income	-	(485)
Withholding tax incurred for overseas income	1,164	2,337
Recognized temporary differences	(10,475)	(24,615)
Adjustments to current income tax expenses for previous years during the year	(4,544)	2,005
	$ 89,539	$ 107,617

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

	2022	2021
Deferred income tax		
Incurred during the year		
Remeasurement on defined benefit plans	($ 7,065)	($ 371)

(III) Current tax assets and liabilities

	December 31, 2022	December 31, 2021
Current Tax Assets		
Tax refund receivable	$ 11,072	$ 6,186
Current Tax Liabilities		
Income tax payable	$ 20,682	$ 67,076

(IV) Deferred tax assets and liabilities

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

2022

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Translation differences	Closing balance
Temporary differences					
Allowance for sales discount	$ 1,431	$ -	$ -	$ -	$ 1,431
Unrealized gains	6,885	1,692	-	-	8,577
Defined benefit retirement plan	15,324	328	(7,065)	-	8,587
Payable for annual leave	3,333	1,994	-	-	5,327
Loss on allowance for doubtful debts	988	(689)	-	17	316
Loss on inventory valuation	75,746	(4,075)	-	510	72,181
	103,707	(750)	(7,065)	527	96,419
Loss carryforwards	33,270	386	-	615	34,271
	$ 136,977	($ 364)	($ 7,065)	$ 1,142	$ 130,690

Deferred Tax Liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Translation differences	Closing balance
Temporary differences					
Reserve for land value increment tax	$ 169,777	$ -	$ -	$ -	$ 169,777
Unrealized exchange gains	728	(837)	-	-	(109)
	$ 170,505	($ 837)	$ -	$ -	$ 169,668

2021

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Translation 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)	Translation 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

(V) Deductible temporary differences of deferred tax assets which have yet to be recognized in the consolidated balance sheets

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 306,372	$ 358,745
Loss carryforwards		
Expire in 2029	$ -	$ 8,575
Expire in 2030	219,404	219,404
Expire in 2031	131,913	130,488
Expire in 2032	35,077	23,500
	$ 386,394	$ 381,967

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

As of December 31, 2022, information on loss carryforward is as follows:

Balance not deducted yet	Last year of deduction
$ 304,728	2030
183,212	2031
38,641	2032
$ 526,581	

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

As of December 31, 2022 and 2021, taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were NT$1,761,044 thousand and NT$1,397,173 thousand, respectively.

(VIII) Income tax assessments

The Company and its subsidiary Everest International Develop Investment Co., Ltd.'s income tax returns through 2019 and 2020, respectively, have been assessed by the tax authorities.

XXIV. Earnings per share

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

Net profit for the year

	2022	2021
Net profit attributable to owners of the Company	$ 21,844	$ 181,871

Number of shares

Unit: thousand shares

	2022	2021
Basic earnings per share		
Number of issued ordinary shares at the beginning of the year	694,643	394,643
Add: Weighted average number of shares from cash capital increase	-	87,945
Less: 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 per share	674,465	462,410
Impacts of potential ordinary shares with dilution effect:		
Employees' compensation	193	390
The weighted average number of ordinary shares used in the calculation of diluted earnings per share	674,658	462,800

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

XXV. Capital management

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

XXVI. 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 and cash equivalents, receivables, other receivables, financial assets at amortized cost - non-current (accounted for as other non-current assets), refundable deposits (accounted for as other current and non-current assets), short-term borrowings, short-term bills payable, payables (including those to related parties), other payables (including those to related parties), long-term borrowings (including those due within one year), and guarantee deposits received (including those accounted for as other current liabilities).

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

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Other Comprehensive Income				
Investments in equity instruments				
- Shares of domestic unlisted companies	$ -	$ -	$ 5,267	$ 5,267
Financial assets at fair value through profit or loss				
Derivative instruments – forward exchange contract	$ -	$ 189	$ -	$ 189
Financial liabilities at fair value through profit or loss				
Derivative instruments – forward exchange contract	$ -	$ 240	$ -	$ 240

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

(Continued)

(Continued)

	Level 1	Level 2	Level 3	Total
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

There were no transfers between Level 1 and 2 during the years ended December 31, 2022 and 2021.

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	2022	2021
Opening balance	$ 3,448	$ 3,448
Recognized in other comprehensive income (Unrealized Valuation Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income)	1,819	-
Closing balance	$ 5,267	$ 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, 2022	December 31, 2021
Financial assets		
Financial assets at amortized cost (Note 1)	$ 2,221,905	$ 2,520,444
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	189	5,062
Financial assets at fair value through other comprehensive income (current and non-current)		
Investments in equity instruments	$ 5,267	$ 84,974
Financial liabilities		
Measure at amortized costs (Note 2)	7,040,761	6,869,727
Financial assets at fair value through profit or loss - designated at fair value through profit or loss	240	22

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

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

(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 (1) below), interest rates (see (2) below), and other price risks (see (3) below).

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

(1) Foreign currency risk

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

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

<u>Sensitivity analysis</u>

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 in net profit 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 before income tax would be the same amount in negative.

	USD impact	
	2022	2021
Profit or loss	$ 12,412	$ 9,917

	THB impact	
	2022	2021
Profit or loss	$ 302	$ 375

	ETB impact	
	2022	2021
Profit or loss	$ 1,681	$ 1,867

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, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ 143,407	$ -
Financial liabilities	2,464,483	2,952,579
With cash flow interest rate risk		
Financial assets	367,117	270,167
Financial liabilities	4,100,344	3,040,883

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 Company's net profit before income tax for the years ended December 31, 2022 and 2021 would have decreased by NT$37,332 thousand and NT$27,707 thousand, respectively, which primarily relates to the Company'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, 2022 and 2021 would have increased/decreased by NT$53 thousand and NT$850 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, 2022

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 years and above
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 512,906	$ 434,609	$ 72,725	$ 720	$ -
Lease liabilities	11,302	17,196	84,861	286,724	171,408
Floating rate instruments	706,625	1,903,276	615,036	927,184	-
Fixed rate instruments	1,021,507	591,308	313,436	-	-
	$ 2,252,340	$ 2,946,389	$ 1,086,058	$ 1,214,628	$ 171,408

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	$ 113,359	$ 286,724	$ 171,408	$ -

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
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

(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, 2022

	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	$ 189	$ -	$ -	$ -	$ -
—Outflow	(240)	-	-	-	-
	($ 51)	$ -	$ -	$ -	$ -

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	$ -	$ -

XXVII. 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)

(Continued)

(Continued)

Names of the related party	Relationship with the Group
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	2022	2021
Investors with significant influence over the Company	$ 6,819	$ 260
Other related parties	-	5,483
	$ 6,819	$ 5,743

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	2022	2021
Investors with significant influence over the Company	$ 216,498	$ 254,982
Other related parties	434,976	433,499
	$ 651,474	$ 688,481

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

(IV) Receivables from related parties

Line item	Category of related party	December 31, 2022	December 31, 2021
Trade receivables	Other related parties	$ 401	$ 1,831
Other receivables	Other related parties	$ -	$ 33

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no allowance for losses was provided for receivables from related parties.

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

Line item	Category/name of related party	December 31, 2022	December 31, 2021
Notes payable to related parties	Investors with significant influence over the Company		
	Far Eastern New Century Corporation (FENC)	$ 17,048	$ 19,337
Trade payables to related parties	Investors with significant influence over the Company	$ 2,179	$ 1,382
	Other related parties	20,304	51,959
		$ 22,483	$ 53,341
Other payables to related parties	Investors with significant influence over the Company	$ -	$ 1
	Other related parties		
	Everest Shanghai	21,676	52,480
	Others	529	235
		$ 22,205	$ 52,716

The outstanding payables to related parties are not guaranteed

(VI) Lease agreements

Line item	Category/name of related party	December 31, 2022	December 31, 2021
Lease liabilities	Other related parties		
	Far Eastern Investment (Holding) Ltd.	$ 92,323	$ 105,283

Category of related party	2022	2021
Interest Expenses		
Other related parties	$ 3,979	$ 4,700

(VII) Borrowings from related parties

Category/name of related party	December 31, 2022	December 31, 2021
Other related parties (included in short-term and long-term borrowings)		
FEIB	$ 10,000	$ 496,146

Interest Expenses

Category/name of related party	2022	2021
Other related parties		
FEIB	$ 2,487	$ 3,153

The interest rates of the Group's borrowings from related parties are similar to the market interest rates for the years ended December 31, 2022 and 2021. In addition, to apply for a credit line, the Group provided land, buildings and machinery equipment as collateral to FEIB for financing. The carrying amounts of the related assets were NT$1,154,686 thousand and NT$1,284,240 thousand as of December 31, 2022 and 2021, 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$33,393 thousand and NT$43,863 thousand for the years ended December 31, 2022 and 2021, 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	2022	2021
Other related parties		
Everest Shanghai	$ 191,866	$ 244,060
Others	1,942	781
	$ 193,808	$ 244,841

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

(IX) Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 30,102	$ 25,645
Retirement benefits	2,067	2,314
	$ 32,169	$ 27,959

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.

XXVIII. Pledged Assets

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

	December 31, 2022	December 31, 2021
Land	$ 512,250	$ 509,679
Buildings	254,713	269,534
Machinery and equipment	648,606	766,124
Financial assets at amortized cost - non-current (accounted as other non-current assets)		
- Pledged bank time deposits	100	-
	$ 1,415,669	$ 1,545,337

XXIX. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

Significant commitments

(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$6,771 thousand and NT$6,322 thousand (translated into THB7,573 thousand on December 31, 2022 and 2021) as of December 31, 2022 and 2021, respectively.

(II) As of December 31, 2022 and 2021, the Group’s unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT$21,497 thousand and NT$32,812 thousand, respectively.

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

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 140,777	$ 72,005

XXX. Major disaster loss

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

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, 2022

Financial assets	Foreign currencies	Exchange rate	Carrying amount
Monetary items			
USD	$ 25,793	30.71 (USD:NTD)	$ 792,091
USD	15,054	34.347 (USD:THB)	462,322
USD	15,634	6.965 (USD:RMB)	480,133
THB	33,821	0.8941 (THB:NTD)	30,239
ETB	301,898	0.0186 (ETB:USD)	172,098
Monetary items			
USD	$ 5,697	30.71 (USD:NTD)	$ 174,962
USD	9,617	34.347 (USD:THB)	295,331
USD	750	6.965 (USD:RMB)	23,028
ETB	6,973	0.0186 (ETB:USD)	3,975

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

(Continued)

(Continued)

Financial assets	Foreign currencies	Exchange rate	Carrying amount
USD	24,730	6.367 (USD:RMB)	684,523
THB	44,983	0.8347 (THB:NTD)	37,548
ETB	335,143	0.0201 (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

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:

	2022		2021	
Functional currency	Functional currency translated into presentation currency	Net exchange (losses) gains	Functional currency translated into presentation currency	Net exchange (losses) gains
USD	29.8043 (USD: NTD)	($ 10,370)	28.0088 (USD: NTD)	($ 67,155)
NTD	1 (NTD: NTD)	64,257	1 (NTD: NTD)	(17,645)
RMB	4.4346 (RMB: NTD)	58,709	4.3416 (RMB: NTD)	(12,316)
THB	0.8555 (THB: NTD)	6,555	0.8823 (THB: NTD)	13,985
HKD	3.8056 (HKD: NTD)	36	3.6033 (HKD: NTD)	11
		$ 119,187		($ 83,120)

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
2022			
Segment revenue - from external customers	$ 9,807,785	$ -	$ 9,807,785
Segment profits (losses)	$ 97,901	($ 449)	$ 97,452
Interest Income			5,151
Net gains on foreign currency exchange			119,187
Interest Expenses			(133,841)
Other non-operating income - net			23,432
Net profit before income tax			$ 111,381
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

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, 2022 and 2021.

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, 2022	December 31, 2021
Textile segment	$ 14,970,634	$ 14,599,815
Investment segment	6,886	7,937
Consolidated total assets	$ 14,977,520	$ 14,607,752

(III) Revenue from major products

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

	2022	2021
Finished fabric	$ 8,272,257	$ 8,628,242
Draw textured yarn	797,848	782,503
Others	737,680	595,988
	$ 9,807,785	$ 10,006,733

(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	
	2022	2021
Taiwan	$ 6,037,594	$ 5,754,958
China	2,171,467	2,891,861
Thailand	1,287,266	1,079,117
The U.S.	236,957	161,874
Ethiopia	73,603	115,958
Haiti	898	2,965
	$ 9,807,785	$ 10,006,733

	Non-Current Assets	
	December 31, 2022	December 31, 2021
Taiwan	$ 3,885,473	$ 3,875,325
China	483,042	446,825
Thailand	482,306	385,028
The U.S.	850,173	860,340
Ethiopia	308,337	250,907
Haiti	147,746	180,285
	$ 6,157,077	$ 5,998,710

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, 2022 and 2021.

Everest Textile Co., Ltd. and Subsidiaries

Loaning to Others

For the year ended December 31, 2022

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 (Note 4)	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 Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	$ 519,373	$ 506,998	$ 506,998	1.26～5.23	2.	$ -	Working capital	$ -	None	$ -	$ 1,642,326 (Note 1)	
		Everest Apparel (HK) Limited	Other receivables from related parties	Yes	105,642	105,642	105,642	1.26～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	47,601	47,601	16,987	1.26～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	316,313	316,313	313,045	4.72～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	81,996	81,996	30,710	5.23	2	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	59,885	59,885	8,704	5.23	2	-	Working capital	-	None	-	1,642,326 (Note 1)	
					$ 1,130,810	$ 1,118,435	$ 982,086									$ 2,737,210 (Note 2)
2	Hongzhan Textile (Shanghai) Ltd.	Everest International (HK) Limited	Other receivables from related parties	Yes	$ 399,230	$ 399,230	$ 399,230	0.21～4.47	2.	-	Working capital	-	None	-	1,704,076 (Note 1)	2,556,114 (Note 2)
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	$ 130,518	$ 130,518	$ 130,518	1.87～7.16	2.	-	Working capital	-	None	-	896,644 (Note 1)	1,344,966 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	328,597	328,597	328,597	1.87～7.16	2.	-	Working capital	-	None	-	896,644 (Note 1)	
					$ 459,115	$ 459,115	$ 459,115									

Note 1: Attributable to 150% equity of HK International HK, 100% equity of Everest Textile Shanghai, and 100% equity of Everest Textile USA, LLC.

Note 2: Attributable to 250% equity of HK International HK, 150% equity of Everest Textile Shanghai, and 150% equity of Everest Textile USA, LLC.

Note 3: Nature of the loan:

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

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

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

Everest Textile Co., Ltd. and Subsidiaries

Endorsement and Guarantee Provided for Others

For the year ended December 31, 2022

Table 2

Unit: NT$ Thousands

Code	Name of the endorsement and guarantee provider	Parties being endorsed and guaranteed: Name of the company	Parties being endorsed and guaranteed: Relationship	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
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary - 100% shareholding	$ 5,291,030	$ 153,550	$ 61,420	$ 18,426	$ -	0.87		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	〃	5,291,030	307,100	307,100	76,893	-	4.35		Y	N	N
		Everest International Develop Investment Co., Ltd.	〃	5,291,030	667,000	540,000	335,000	-	7.65		Y	N	N
		Everest Textile USA, LLC.	〃	5,291,030	2,349,315	2,195,765	1,409,589	-	31.12		Y	N	N
		Everest International (HK) Limited	〃	5,291,030	1,136,270	1,136,270	509,786	-	16.11		Y	N	N
					$ 4,613,235	$ 4,240,555	$ 2,349,694		60.10	$ 10,582,061			

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, 2022

Table 3

Unit: NT$ Thousands

Company held	Category and name of securities	Relationship with the issuer of securities	Accounting item	End of the period				Remarks
				Unit/number of shares	Carrying amount	Ratio (%)	Market value/net equity value	
The Company	Jin Lead Industrial Co., Ltd. - shares of an unlisted company	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	526,800	$ 5,252	19	$ 5,252	
	Dah Chung Bills Finance Corp. - shares of a listed company	None	〃	1,204	15	-	15	
					$ 5,267		$ 5,267	
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	$ 143,059	2.9	$ 143,059	

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, 2022

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	$ 639,054	74	Settle every 1 month	No comparable goods under the same category	—	($ 44,803)	(11)	Note
		Subsidiary	Sales	(319,471)	(5)	Settle every 6 months	Equivalent	Equivalent	-	-	Note
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchases	216,498	7	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(19,227)	(5)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method	Purchases	248,419	8	Settle every 1 month	Equivalent	Equivalent	(3,358)	(1)	
	Jin Lead Industrial Co., Ltd.	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Purchases	165,360	6	Settle every 1 month	Equivalent	Equivalent	(16,946)	(4)	
	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(328,987)	(5)	Settle every 6 months	Equivalent	Equivalent	21,154	3	Note
	Everest Textile USA, LLC.	Subsidiary	Purchases	306,142	10	Settle every 1 to 2 months	Equivalent	Equivalent	(57,377)	(14)	Note
		Subsidiary	Sales	(152,150)	(2)	Settle every 6 months	Equivalent	Equivalent	101,035	14	Note
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(913,435)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	27,963	14	Note
Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	Fellow subsidiary	Sales	(187,008)	(26)	Settle every 6 months	Equivalent	Equivalent	71,303	46	Note

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

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, 2022

Table 5

Unit: NT$ Thousands

Company with book receivables	Counterparty	Relationship	Balance of receivables from the related party (Note 2)	Turnover rate	Overdue receivables from related parties		Amount recovered from related parties after expiry	Allowance for losses provided
					Amount	Method of disposal		
The Company	Everest Textile USA, LLC.	Subsidiary	$ 101,035	2.30	$ -	—	$ 19,494	$ -
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	408,536	Note 1	-	—	-	-
Everest Textile USA, LLC.	Everest Apparel (Haiti) S.A.	Fellow subsidiary	346,738	Note 1	-	—	-	-
	Everest Development USA, LLC.	Fellow subsidiary	135,080	Note 1	-	—	-	-
Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	554,553	Note 1	-	—	-	-
	Everest Apparel (Haiti) S.A.	Fellow subsidiary	346,435	Note 1	-	—	-	-
	Everest Apparel (HK) Limited	Fellow subsidiary	110,350	Note 1	-	—	-	-

Note 1:The nature of the financing, not applicable for turnover rate calculation.

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

Everest Textile Co., Ltd. and Subsidiaries

Information on Invested Companies

For the year ended December 31, 2022

Table 6

Unit: NT$ Thousands

Name of the investing company	Name of the investee Companies	Location	Principal business activities	Initial investment amount: End of the period	Initial investment amount: End of previous year	Held at the end of the period: Number of shares	Held at the end of the period: Ratio (%)	Held at the end of the period: Carrying amount	Current (loss) gain of the investee company	Investment (loss) gain recognized for the period	Remarks
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	$ 955,893	$ 955,893	1,300	100	$ 2,950,012	$ 196,732	$ 196,732	Note 3
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	1,998,400	1,998,400	191,400,000	100	290,819 (Note 1)	(208,913)	(208,913)	Note 3
	Everest Textile (HK) Co., Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	1,020	(338)	(338)	Note 3
Everest Investment (Holding) Ltd.	Everest Textile (Thailand) Co., Ltd.	Thailand	Original equipment manufacturing, production, and sales of processed silk and woven fabrics	701,063	701,063	79,999,993	100	1,279,902	8,618		Note 3
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	1,094,884	36,844		Note 3
	Everest Apparel (HK) Limited	Hong Kong	Investment and holdings	848,467	848,467	27,580,000	100	(441,940)	(239,719)		Note 3
Everest International (HK) Limited	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,260,433	1,260,433	1,000	100	955,681	(6,328)		Note 3
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	52,874	(6,298)		Note 3
	Everest Textile USA, LLC.	The U.S.	Production and dyeing of yarn and woven fabrics	1,181,263	1,181,263	38,800,000	100	896,644	(486)		Note 3
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	27,061	(45,399)		Note 3
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(358,615)	(191,038)		Note 3

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

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

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

Everest Textile Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the year ended December 31, 2022

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 (Note 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	$ 921,300 (US$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	$ 980,349 (US$30,000 thousand)	$ -	$ -	$ 980,349 (US$30,000 thousand)	$ 187,783	100	$ 188,988	$ 1,704,076	$ -

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by the Ministry of Economic Affairs Investment Committee (Note 2)	Investment limits stated by MOEAIC regarding investments in Mainland China (Note 1)
$ 921,300 (US$30,000 thousand)	$ 921,300 (US$30,000 thousand)	$ 4,232,824

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 ($7,054,707×60%＝$4,232,824).

Note 2: The amount is translated at a currency rate where USD$1 equals NT$30.71.

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

Note 4: Investment gains recognized for the period is the net amount after deducting the realized gross sales of goods amounted to NT$1,205 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, 2022

Table 8

Unit: NT$ Thousands

Purchasing (selling) company	Counterparty	Relationship	Transaction status				Circumstance and reason for transaction amount differ from general transactions		Notes and trade receivables (payables)		Unrealized gains (losses) (Note)
			Purchase (sales) of goods	Amount (Note)	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance (Note)	Ratio to total notes and trade receivables (payables) (%)	
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	($ 328,987)	(5)	Settle every 6 months	Equivalent	Equivalent	$ 21,154	3	$ 16,022
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(913,435)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	27,963	14	(171)
Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	Fellow subsidiary	Sales	(97,184)	(5)	Settle every 2 to 4 months	Equivalent	Equivalent	14	-	-

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

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, 2022

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	$ 319,471	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3
				Processing expenses	639,054	No comparable goods under the same category; payment terms shall be settled every 1 month.	7
				Purchase of machine supplies on behalf of others	55,853	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	1
				Trade payables to related parties	44,803		-
		Everest Textile (Shanghai) Ltd.	1	Sales of goods	328,987	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	3
				Trade receivables from related parties	21,154		-
		Everest Textile USA, LLC.	1	Sales of goods	152,150	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	2
				Purchases	306,142	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	3
				Trade receivables from related parties	101,035		1
				Trade payables to related parties	57,377		-
				Purchase of machine supplies on behalf of others	21,422	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
		Everest International (HK) Limited	1	Purchases	74,550	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	1
			1	Selling and Marketing Expenses	26,706	Price negotiation is adopted and payments are offset against other receivables	-
		Everest Apparel (Haiti) S.A.	1	Processing expenses	61,283	No comparable goods under the same category; payment terms shall be settled every 1 month.	1
			1	Sales of goods	31,469	The transactions are made at general transaction prices; collection terms shall be settled every 6 months.	-
			1	Trade receivables from related parties	12,339		-
2	Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	3	Sales of goods	913,435	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	9
				Trade receivables from related parties	27,963		-
				Other receivables from related parties	408,536		3
3	Everest International (HK) Limited	Everest Textile (Thailand) Co., Ltd.	3	Sales of goods	62,582	The transactions are made at general transaction prices; collection terms shall be settled every 2 to 4 months.	1
				Trade receivables from related parties	24,023		-

(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 (%)
		Everest Apparel (HK) Limited	3	Other receivables from related parties	110,350		1
		Everest Apparel (Haiti) S.A.	3	Other receivables from related parties	346,435		2
		Everest Apparel (Ethiopia) S.C.	3	Other receivables from related parties	554,553		4
4	Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	3	Trade receivables from related parties	71,303		-
				Sales of goods	187,008	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	$ 346,738		2
				Purchases	31,208	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	-
		Everest Development USA, LLC.	3	Other receivables from related parties	135,080		1
5	Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	3	Sales of goods	97,184	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	Purchases	65,077	The transactions are made at general transaction prices; payment terms shall be settled every 1 to 2 months.	1
				Trade receivables from related parties	26,093		-
				Other receivables from related parties	23,900		-

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, 2022

Table 10

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

Stock Code: 1460

Everest Textile Co., Ltd.

Financial Statements and Independent Auditors' Reports for the Years Ended December 31, 2022 and 2021

Address: No. 256, Minghe Vil., Shanshang Dist., Tainan City, Taiwan (R.O.C.)

Tel: (06) 578-2561

Independent Auditors' Report

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

Audit Opinion

We have audited the balance sheets of Everest Textile Co., Ltd. (the "Company") as of December31, 2022and 2021, the statements of comprehensive income for the years ended December 31, 2022 and 2021, statements of changes in equity, statements of cash flows for the years then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors (refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the Company's financial statements for the year ended December 31, 2022 are as follows:

Sales revenue recognition

The Company is mainly engaged in the manufacturing and sales of various textiles such as chemical fibers, cotton and blended fabrics. The sales revenue of filament fabric has a significant impact on the overall operating income and profit of the Company, and therefore we have identified the authenticity of the sales revenue of filament fabric from specific customers as a key audit matter.

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

I. We reviewed the relevant internal control mechanism and operating procedures of sales transaction cycle and designed the internal control audit procedures accordingly to assess the effectiveness of the internal control operations.

II. We conducted sample checking on the sales revenue of filament fabric from the Company's specific customers and checked the shipping documents, customs documents and payment documents in order to verify the recognition and payment status of its revenue as well as confirm the authenticity of the sales transactions.

Other Matters

Certain investments in subsidiaries accounted for using the equity method in the financial statements of the Company for the years ended December 31, 2022 and 2021 were audited by other auditors. Therefore, in our opinions expressed for the financial statements, the amount of the above investments accounted for using the equity method and its profit or loss were recognized according to the report from other auditors. As of December 31, 2022 and 2021, the amounts of the above investments accounted for using the equity method were NT$955,681 thousand and NT$2,053,624 thousand, respectively, accounted for 8% and 18% of the total assets. Furthermore, for the years ended December 31, 2022 and 2021, the consolidated profit or loss recognized using the equity method was a loss of NT$89,422 and NT$11,720, respectively, accounted for 38% and 203% of the total consolidated profit or loss, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the financial statements, including relevant notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or businesses within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for forming the audit opinion for the Company.

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

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

From the matters communicated with those charged with governance, we determined key audit matters of the financial statements of the Company for the year ended December 31, 2022. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Lou Liao	CPA Li-yuan Guo
Financial Supervisory Commission Approval No. Jin-guan-zheng-shen-zi No. 0990031652	Securities and Futures Commission Approval No. Tai-cai-zheng-liu-zi No. 0920123784

March 27,2023

Everest Textile Co., Ltd.

Balance Sheets

December 31, 2022 and 2021

Unit: NT$ Thousands

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current Assets				
1100	Cash (Notes 4 and 6)	$ 131,488	1	$ 233,370	2
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 4 and 7)	-	-	81,526	1
1150	Notes Receivable (Notes 4, 9, and 20)	50,585	1	51,105	1
1170	Trade Receivables (Notes 4, 9, and 20)	549,850	5	829,461	8
1180	Trade Receivables from Related Parties (Notes 4, 9, 20, and 26)	135,098	1	99,109	1
1200	Other Receivables (Note 4)	445,078	4	40,606	-
1210	Other Receivables from Related Parties (Notes 4 and 26)	25,685	-	21,792	-
1220	Current Tax Assets (Note 22)	1,868	-	1,868	-
130X	Inventories (Notes 4 and 10)	3,867,631	34	3,824,625	34
1470	Other Current Assets (Note 14)	73,133	1	34,674	-
11XX	Total Current Assets	5,280,416	47	5,218,136	47
	Non-Current Assets				
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4 and 7)	5,267	-	3,448	-
1550	Investments Accounted For Using The Equity Method (Notes 4 and 11)	3,241,851	28	3,079,676	28
1600	Property, Plant and Equipment (Notes 4, 12, 26, and 27)	2,603,911	23	2,547,625	23
1755	Right-Of-Use Assets (Notes 4 and 13)	42,104	-	72,101	-
1840	Deferred Tax Assets (Notes 4 and 22)	91,069	1	97,809	1
1990	Other Non-Current Assets (Notes 8, 14, and 27)	88,490	1	108,643	1
15XX	Total Non-Current Assets	6,072,692	53	5,909,302	53
1XXX	Total Assets	$ 11,353,108	100	$ 11,127,438	100

Code	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current Liabilities				
2100	Short-Term Borrowings (Notes 15, 26, and 27)	$ 1,370,000	12	$ 679,407	6
2110	Short-Term Bills Payable (Note 15)	869,457	8	899,785	8
2150	Notes Payable (Note 16)	19,621	-	79,990	1
2160	Notes Payable to Related Parties (Notes 16 and 26)	17,048	-	19,337	-
2170	Trade Payables (Note 16)	232,181	2	403,234	4
2180	Trade Payables to Related Parties (Notes 16 and 26)	139,432	1	260,154	2
2219	Other Payables (Note 17)	273,397	3	326,092	3
2220	Other Payables to Related Parties (Note 26)	52	-	382	-
2250	Refund Liabilities - Current	7,154	-	7,154	-
2280	Lease Liabilities - Current (Notes 4 and 13)	33,428	-	35,464	-
2322	Long-Term Borrowings Due Within One Year (Notes 15, 26, and 27)	490,000	5	710,000	7
2399	Other Current Liabilities (Notes 17 and 20)	6,888	-	7,424	-
21XX	Total Current Liabilities	3,458,658	31	3,428,423	31
	Non-Current Liabilities				
2540	Long-Term Borrowings (Notes 15, 26, and 27)	617,500	5	597,500	5
2570	Deferred Tax Liabilities (Notes 4 and 22)	169,668	2	170,505	2
2580	Lease Liabilities - Non-Current (Notes 4 and 13)	8,917	-	36,826	-
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 18)	42,937	-	76,619	1
2645	Guarantee Deposits	721	-	721	-
25XX	Total Non-Current Liabilities	839,743	7	882,171	8
2XXX	Total Liabilities	4,298,401	38	4,310,594	39
	Equity (Note 19)				
	Share Capital				
3110	Ordinary Shares	6,946,434	61	6,946,434	62
3200	Capital Surplus	115,943	1	115,943	1
	Retained Earnings				
3310	Legal Reserve	192,358	2	174,022	1
3320	Special Reserve	248,096	2	83,073	1
3350	Undistributed Earnings	64,008	1	183,359	2
3300	Net Retained Earnings	504,462	5	440,454	4
3400	Other Equity Interest	(179,296)	(2)	(353,151)	(3)
3500	Treasury Shares (Note 4)	(332,836)	(3)	(332,836)	(3)
31XX	Total Equity	7,054,707	62	6,816,844	61
	Total Liabilities and Equity	$ 11,353,108	100	$ 11,127,438	100

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

(Refer to Deloitte & Touche auditors' report dated March 28, 2023)

Chairman: Johnny Hih   Manager: Ching Lai Yeh   Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

(NT$ for earnings per share)

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

(Continued)

(Continued)

Code		2022 Amount	%	2021 Amount	%
7070	Share of profit or losses from subsidiaries accounted for using equity method	($ 12,519)	-	$ 106,703	2
7000	Total Non-Operating Income and Expenses	29,049	-	107,884	2
7900	Net profit before income tax	25,006	-	181,871	3
7950	Income Tax Expense (Notes 4 and 22)	3,162	-	-	-
8200	Net profit for the year	21,844	-	181,871	3
	Other Comprehensive Income/(Loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Re-measurement of defined benefit plans (Note 18)	35,327	-	1,860	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,598	-	784	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	(7,065)	-	(371)	-
		32,860	-	2,273	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	183,159	3	(189,910)	(3)
8300	Other comprehensive income/(loss) for the year, net of income tax	216,019	3	(187,637)	(3)
8500	Total comprehensive income/(loss) for the year	$ 237,863	3	($ 5,766)	-
	Earnings per share (Note 23)				
9710	Basic	$ 0.03		$ 0.39	
9810	Diluted	0.03		0.39	

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

Chairman: Johnny Hih Manager: Ching Lai Yeh Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

				Retained Earnings			Other Equity Items				
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Deficits to Be Compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total Equity
A1	Balance on January 1, 2021	$ 5,098,341	$ 99,644	$ 174,022	$ 83,073	($ 1,151,908)	($ 176,517)	$ 12,492	($ 164,025)	($ 332,836)	$ 3,806,311
F1	Capital Reduction to Cover Accumulated Deficits (Note 19)	(1,151,907)	-	-	-	1,151,907	-	-	-	-	-
E1	Cash Capital Increase (Note 19)	3,000,000	16,299	-	-	-	-	-	-	-	3,016,299
D1	Net Profit for The Year Ended December 31, 2021	-	-	-	-	181,871	-	-	-	-	181,871
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2021, Net of Income Tax	-	-	-	-	1,489	(189,910)	784	(189,126)	-	(187,637)
D5	Total Comprehensive Income (Loss) for the Year Ended December 31, 2021	-	-	-	-	183,360	(189,910)	784	(189,126)	-	(5,766)
Z1	Balance on December 31, 2021	6,946,434	115,943	174,022	83,073	183,359	(366,427)	13,276	(353,151)	(332,836)	6,816,844
	Distribution of 2021 earnings (Note 19)										
B1	Legal Reserve	-	-	18,336	-	(18,336)	-	-	-	-	-
B3	Special Reserve	-	-	-	165,023	(165,023)	-	-	-	-	-
D1	Net Profit for The Year Ended December 31, 2022	-	-	-	-	21,844	-	-	-	-	21,844
D3	Other Comprehensive Income/(Loss) for the Year Ended December 31, 2022, Net of Income Tax	-	-	-	-	28,262	183,159	4,598	187,757	-	216,019
D5	Total Comprehensive Income for the Year Ended December 31, 2022	-	-	-	-	50,106	183,159	4,598	187,757	-	237,863
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	13,902	-	(13,902)	(13,902)	-	-
Z1	Balance on December 31, 2022	$ 6,946,434	$ 115,943	$ 192,358	$ 248,096	$ 64,008	($ 183,268)	$ 3,972	($ 179,296)	($ 332,836)	$ 7,054,707

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

(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

Chairman: Johnny Hih | Manager: Ching Lai Yeh | Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

Unit: NT$ Thousands

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

(Continued)

(Continued)

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

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

(Refer to Deloitte & Touche auditors' report dated March 27, 2023)

Chairman: Johnny Hih   Manager: Ching Lai Yeh   Accounting Executive: Mei Hsiu Huang

Everest Textile Co., Ltd.

Notes to Financial Statements

For the years ended December 31, 2022 and 2021

(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 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 9, 2023.

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 Company.

(II) The IFRSs endorsed by the FSC for application starting from 2023

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: This amendment applies to the annual reporting period commencing after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for the recognition of deferred income tax on temporary differences in leases and decommissioning obligations on January 1, 2022, the amendment applies to transactions occurring after January 1, 2022.

As of the approval date for the publishing of the financial statements, the Company has assessed that the amendments to the abovementioned standards and interpretations are not expected to have any significant impact on its financial position and financial performance.

(III) IFRSs that have been issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

As of the approval date for the publishing of the financial statements, the Company continuously assesses the impacts of amendments to the abovementioned standards and interpretations on its 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."

(II) Basis of preparation

The 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.

The Company has adopted the equity method for investments in subsidiaries when preparing the financial statements. To ensure the consistency between the profit or loss for the year, other comprehensive income/(loss), and equity in the financial statements and the profit or loss for the year, other comprehensive income/(loss), and equity attributable to owners of the Company in the Company's consolidated financial statements, certain accounting processing differences under the individual and consolidated basis were adjusted by "investments accounted for using the equity method," "share of profit or loss from subsidiaries accounted for using the equity method," "shares of other comprehensive income/(loss) from subsidiaries accounted for using the equity method" and other related equity items.

(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) 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 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).

(V) 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.

(VI) Investments in subsidiaries

The Company adopts the equity method for the accounting of investments in subsidiaries.

Subsidiaries are entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost. The carrying amount is adjusted after the acquisition date in accordance with the profit or loss, the share of other comprehensive income/(loss), and profit distribution from subsidiaries entitled to the Company. In addition, changes in subsidiaries' other equity entitled to the Company are recognized in proportion to its shareholding percentage.

Upon impairment assessment, the Company gives overall consideration to the cash-generating unit based on the financial statements and compares its recoverable amount with the carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of impairment losses shall be recognized as gains, provided that the carrying amount of the asset after the reversal of impairment losses shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized.

The unrealized profit or loss in downstream transactions between the Company and its subsidiary shall be eliminated in the financial statements. The profit or loss arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the financial statements only to the extent when they are not related to the Company's equity in the subsidiaries.

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

Except for self-owned land, the remaining property, plant and equipment are recognized using the straight-line method during its useful life. Each significant part is depreciated separately. The Company 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 Company 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 Company estimates the recoverable amount of the asset. When it is impossible to estimate the recoverable amount of an individual asset, the Company 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 balance sheets when the Company 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 Company 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 amortized cost

When the Company'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.

Except for the following circumstances, interest income is calculated by multiplying the effective interest rate by the gross carrying amount of the financial assets:

a. In the case of purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the amortized cost.

b. In the case of a financial asset that is not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

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.

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

Upon initial recognition, the Company 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 Company'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 Company 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 Company 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 Company 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 Company 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.

(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 Company 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 Company 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 Company 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 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) 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.

(XIV) Government grants

Government grants are only recognized when they can be reasonably assured that the Company 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 Company 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 Company for the purpose of immediate financial support without related future costs, such grants may be recognized in profit or loss within the collectible period.

(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 Company 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 Company 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 Company'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 Company 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 Company had no critical accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2022 and 2021.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 1,762	$ 2,478
Checks and demand deposits in banks	129,726	230,892
	$ 131,488	$ 233,370

VII. Financial Assets at Fair Value through Other Comprehensive Income

	December 31, 2022	December 31, 2021
Current		
Domestic investments		
Shares of listed companies		
Far Eastern International Bank Co., Ltd. - ordinary shares	$ -	$ 81,526
Non-current		
Domestic investments		
Unlisted shares		
Jin Lead Industrial Co., Ltd. - ordinary shares	$ 5,252	$ 3,433
Dah Chung Bills Finance Corp. - ordinary shares	15	15
	$ 5,267	$ 3,448

The Company 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 Company 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.

VIII. Financial assets at amortized cost - December 31, 2022

	Amount
Non-current (accounted for as other non-current assets)	
Pledge time deposit with an initial maturity of more than 3 months	$ 100

(I) The time deposit interest rate with an initial maturity of more than 3 months as of December 31, 2022 is 1.46%.

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

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

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized costs		
Gross carrying amount - occurred due to operations	$ 50,585	$ 51,105
Trade receivables (including those from related parties)		
Measured at amortized costs		
Gross carrying amount	$ 687,597	$ 931,219
Less: allowance for losses	2,649	2,649
	$ 684,948	$ 928,570

The Company'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 Company 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 Company reviews the recoverable amount of trade receivable on a case-by-case basis at the end of the reporting period to ensure that adequate allowance for impairment losses are made for the irrecoverable trade receivables. In this regard, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company 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 Company'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 Company stipulates the rate of expected credit loss merely based on the number of days past due regarding the trade receivables.

The Company writes-off trade receivables when there is evidence indicating that the counterparty is experiencing severe financial difficulty and the Company 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. Where recoveries are made, they are recognized in profit or loss.

As of December 31, 2022 and 2021, according to the analysis based on the number of days past due conducted by the Company, notes receivables are not overdue; therefore, no expected credit loss is provided for note receivables.

The Company's allowances for loss of trade receivables (including those from related parties) measured based on the provisional matrix are as follows:

December 31, 2022

	90 days and below	91 - 180 days	181 - 365 days	366 days and above	Total
Rate of expected credit loss	0%	0%	0%～2.33%	0%～100%	
Gross carrying amount	$ 547,770	$ 110,259	$ 27,091	$ 2,477	$ 687,597
Allowance for loss (lifetime expected credit loss)	-	-	(172)	(2,477)	(2,649)
Amortized costs	$ 547,770	$ 110,259	$ 26,919	$ -	$ 684,948

December 31, 2021

	90 days and below	91 - 180 days	181 - 365 days	366 days and above	Total
Rate of expected credit loss	0.02%～0.07%	0.09%	2.48%～15.97%	0%～100%	
Gross carrying amount	$ 873,747	$ 54,791	$ 204	$ 2,477	$ 931,219
Allowance for loss (lifetime expected credit loss)	(136)	(36)	-	(2,477)	(2,649)
Amortized costs	$ 873,611	$ 54,755	$ 204	$ -	$ 928,570

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

	December 31, 2022	December 31, 2021
Opening balance	$ 2,649	$ 5,956
Less: Reversed during the year	-	(3,307)
Closing balance	$ 2,649	$ 2,649

X. Inventories

	December 31, 2022	December 31, 2021
Finished goods	$ 2,344,633	$ 2,243,198
Work in progress	1,276,222	1,337,020
Raw materials	54,655	111,626
Supplies	192,121	132,781
	$ 3,867,631	$ 3,824,625

The cost of sales related to inventories for the years ended December 31, 2022 and 2021 was NT$5,858,983 thousand and NT$5,478,519 thousand, respectively. Among them, the amount of inventory damage due to fire in 2022 was NT$425,052 thousand, which was included in the Other Gains and Losses of the Statement of Comprehensive Income.

XI. Investments Accounted for Using the Equity Method - Investments in Subsidiaries

	December 31, 2022	December 31, 2021
Everest Investment (Holding) Ltd.	$ 2,950,012	$ 2,660,535
Everest International Develop Investment Co., Ltd.	623,655	750,762
Everest Textile (HK) Co., Ltd.	1,020	1,215
	3,574,687	3,412,512
Less: the Company's shares held by subsidiaries that are deemed as treasury shares	332,836	332,836
	$ 3,241,851	$ 3,079,676

The ratios of all ownership and voting rights of the Company in subsidiaries at the end of the reporting period are as follows:

	December 31, 2022	December 31, 2021
Everest Investment (Holding) Ltd.	100%	100%
Everest International Develop Investment Co., Ltd.	100%	100%
Everest Textile (HK) Co., Ltd.	99.3%	99.3%

Please refer to Table 6 and Table 7 for details on investments in subsidiaries indirectly held by the Company.

XII. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Construction in progress	Total
Costs								
Balance on January 1, 2021	$ 622,008	$ 1,411,058	$ 1,670,423	$ 21,637	$ 233,510	$ 71,585	$ 7,274	$ 4,037,495
Additions	-	14,050	189,130	2,663	18,431	59,024	13,009	296,307
Disposals	-	(14,339)	(86,088)	(1,080)	(24,967)	(12,012)	-	(138,486)
Reclassifications	-	-	-	-	(11,289)	-	-	(11,289)
Balance on December 31, 2021	$ 622,008	$ 1,410,769	$ 1,773,465	$ 23,220	$ 215,685	$ 118,597	$ 20,283	$ 4,184,027
Accumulated depreciation								
Balance on January 1, 2021	$ -	$ 709,300	$ 673,170	$ 11,840	$ 86,278	$ 28,835	$ -	$ 1,509,423
Depreciation expenses	-	44,143	161,642	3,372	25,301	30,439	-	264,897
Disposals	-	(14,339)	(85,457)	(1,080)	(24,967)	(12,012)	-	(137,855)
Reclassifications	-	-	-	-	(63)	-	-	(63)
Balance on December 31, 2021	$ -	$ 739,104	$ 749,355	$ 14,132	$ 86,549	$ 47,262	$ -	$ 1,636,402
Net balance on December 31, 2021	$ 622,008	$ 671,665	$ 1,024,110	$ 9,088	$ 129,136	$ 71,335	$ 20,283	$ 2,547,625
Costs								
Balance on January 1, 2022	$ 622,008	$ 1,410,769	$ 1,773,465	$ 23,220	$ 215,685	$ 118,597	$ 20,283	$ 4,184,027
Additions	-	18,480	238,330	4,410	12,098	69,951	2,493	345,762
Disposals	-	(29,534)	(76,464)	(700)	(25,223)	(29,566)	-	(161,487)
Balance on December 31, 2022	$ 622,008	$ 1,399,715	$ 1,935,331	$ 26,930	$ 202,560	$ 158,982	$ 22,776	$ 4,368,302
Accumulated depreciation								
Balance on January 1, 2022	$ -	$ 739,104	$ 749,355	$ 14,132	$ 86,549	$ 47,262	$ -	$ 1,636,402
Depreciation expenses	-	43,935	170,269	4,112	21,835	43,569	-	283,720
Disposals	-	(24,756)	(75,520)	(700)	(25,189)	(29,566)	-	(155,731)
Balance on December 31, 2022	$ -	$ 758,283	$ 844,104	$ 17,544	$ 83,195	$ 61,265	$ -	$ 1,764,391
Net balance on December 31, 2022	$ 622,008	$ 641,432	$ 1,091,227	$ 9,386	$ 119,365	$ 97,717	$ 22,776	$ 2,603,911

The Company has not recognized any impairment losses in 2022 and 2021.

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

Buildings	
Main buildings	8 - 56 years
Engineering systems	5 - 51 years
Machinery and equipment	2 - 30 years
Transportation equipment	2 - 16 years
Furniture and fixtures	3 - 15 years
Miscellaneous equipment	2 - 10 years

Please refer to Note 27 for the amount of property, plant and equipment pledged as collateral for borrowings.

Part of the Company's land is agricultural land, and the ownership is temporarily registered in the name of others. Furthermore, it has been mortgaged to the Company.

XIII. Lease Agreements

(I) Right-of-use assets

	Buildings	Transportation equipment	Total
Costs			
Balance on January 1, 2021	$ 128,657	$ 5,343	$ 134,000
Additions	51,637	541	52,178
Reductions	(2,159)	-	(2,159)
Balance on December 31, 2021	$ 178,135	$ 5,884	$ 184,019
Accumulated depreciation			
Balance on January 1, 2021	$ 70,810	$ 2,648	$ 73,458
Depreciation expenses	37,565	1,659	39,224
Reductions	(764)	-	(764)
Balance on December 31, 2021	$ 107,611	$ 4,307	$ 111,918
Net balance on December 31, 2021	$ 70,524	$ 1,577	$ 72,101
Costs			
Balance on January 1, 2022	$ 178,135	$ 5,884	$ 184,019
Additions	4,969	2,973	7,942
Reductions	(61,192)	(4,267)	(65,459)
Balance on December 31, 2022	$ 121,912	$ 4,590	$ 126,502
Accumulated depreciation			
Balance on January 1, 2022	$ 107,611	$ 4,307	$ 111,918
Depreciation expenses	35,696	1,539	37,235
Reductions	(60,518)	(4,237)	(64,755)
Balance on December 31, 2022	$ 82,789	$ 1,609	$ 84,398
Net balance on December 31, 2022	$ 39,123	$ 2,981	$ 42,104

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 33,428	$ 35,464
Non-current	$ 8,917	$ 36,826

The discount rate ranges for lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Buildings	1.01%～1.38%	1.02%～1.16%
Transportation equipment	1.06%～1.62%	1.06%～1.16%

(III) Major lease activities and terms

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

The Company also leases certain buildings to use as plants, office, and retail outlets, and the lease period is 2-5 years. At the end of the lease period, the Company has no right of first refusal for the leased building.

(IV) Other lease information

	2022	2021
Short-term lease expenses	$ 10,242	$ 7,953
Total cash outflows on lease	$ 48,035	$ 47,415

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

XIV. Other assets

	December 31, 2022	December 31, 2021
Current		
Prepayments for goods	$ 38,582	$ 14,412
Prepaid expenses	30,585	11,551
Temporary payments - import expenses	2,192	6,876
Temporary payments - others	1,450	1,563
Others	324	272
	$ 73,133	$ 34,674
Non-current		
Prepayments for equipment	$ 79,274	$ 99,209
Refundable deposits	9,116	9,434
Others (Note 8)	100	-
	$ 88,490	$ 108,643

XV. Borrowings

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings (Note 27)		
Bank borrowings	$ 10,000	$ 236,146
Unsecured borrowings		
Credit facility borrowings	1,360,000	443,261
	$ 1,370,000	$ 679,407
Interest rate per annum	1.15%～1.92%	0.6204%～1.32638%

(II) Short-term bills payable

December 31, 2022

Promissory institution	Nominal amount	Discount amount	Carrying amount	Interest rate range (%)	Name of the collateral
Commercial paper payable					
China bills	$ 300,000	$ 133	$ 299,867	1.35	None
China bills	200,000	36	199,964	1.29	None
China bills	100,000	53	99,947	1.30	None
Ta Ching bills	150,000	250	149,750	1.90	None
International bills	120,000	71	119,929	1.80	None
	$ 870,000	$ 543	$ 869,457		

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		

(III) Long-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Bank credit borrowings	$ 1,007,500	$ 760,000
Secured borrowings (Note 27)		
Bank mortgage borrowings	100,000	547,500
	1,107,500	1,307,500
Less: Those mature within one year	490,000	710,000
	$ 617,500	$ 597,500

The abovementioned bank borrowings fall due one after another by December 2025. The interest rate per annum on December 31, 2022 and 2021 is 1.5300%-2.0488% and 1.00%-1.47%, respectively.

XVI. Notes Payable (including Those from Related Parties) and Trade Payables (including Those from Related Parties)

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

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

XVII. Other liabilities

	December 31, 2022	December 31, 2021
Other payables		
Payable for salaries or bonuses	$ 128,460	$ 142,231
Payable for annual leave	26,633	16,663
Payable for utilities	20,433	24,805
Payable for labor and health insurance	20,032	19,868
Payable for shipping expenses	15,985	22,114
Payable for pension	10,953	11,200
Payable for purchases of equipment	6,050	17,330
Payable for employees' compensation	4,666	3,760
Payable for processing expenses	4,453	9,249
Others	35,732	58,872
	$ 273,397	$ 326,092
Other current liabilities		
Receipts under custody	$ 5,906	$ 6,049
Contract liabilities (Note 20)	982	1,366
Others	-	9
	$ 6,888	$ 7,424

XVIII. Retirement Benefit Plans

(I) Defined contribution plans

The Company 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.

(II) Defined benefit plans

The pension system adopted by the Company 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 balance sheets in respect of the defined benefit plans are set out as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 386,564	$ 410,581
Fair value of plan assets	(343,627)	(333,962)
Net defined benefit liabilities	$ 42,937	$ 76,619

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, 2021	$ 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
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

(Continued)

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
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
Service cost			
Current service cost	38,683	-	38,683
Interest expenses (income)	3,079	(2,639)	440
Recognized in profit or loss	41,762	(2,639)	39,123
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(25,207)	(25,207)
Actuarial losses - changes in financial assumptions	18,994	-	18,994
Actuarial gains - experience adjustments	(29,114)	-	(29,114)
Recognized in other comprehensive income/ (loss)	(10,120)	(25,207)	(35,327)
Contributions from the employer	-	(37,478)	(37,478)
Benefits paid	(55,659)	55,659	-
Balance on December 31, 2022	$ 386,564	($ 343,627)	$ 42,937

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

	2022	2021
Operating costs	$ 29,586	$ 30,566
Selling and Marketing Expenses	2,025	1,356
General and Administrative Expenses	4,915	4,770
Research and Development Expenses	2,597	2,011
	$ 39,123	$ 38,703

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 Company 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, 2022	December 31, 2021
Discount rate	1.40%	0.75%
Expected growth rate of salary	2.50%	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, 2022	December 31, 2021
Discount rate		
Increase 0.25%	($ 6,453)	($ 6,497)
Decrease 0.25%	$ 6,634	$ 6,679
Expected growth rate of salary		
Increase 0.25%	$ 6,348	$ 6,376
Decrease 0.25%	($ 6,207)	($ 6,232)

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, 2022	December 31, 2021
Expected contributions to the plan within one year	$ 37,478	$ 35,739
Average duration of the defined benefit obligation	7 years	7 years

XIX. Equity

(I) Ordinary Shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	800,000	800,000
Share capital authorized	$ 8,000,000	$ 8,000,000
Number of shares issued and paid-up (in thousands)	694,643	694,643
Share capital issued	$ 6,946,434	$ 6,946,434

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. 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 costs of employees' compensation 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, 2022	December 31, 2021
May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Premium on issuance of shares	$ 16,299	$ 16,299
Treasury share transactions	99,644	99,644
	$ 115,943	$ 115,943

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 earnings 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 than 10% of the current shareholders' bonuses for the year.

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

The Company's appropriation of earnings for 2021 and appropriations of deficit for 2020 were approved at the shareholders' meetings on June 16, 2022 and May 4, 2021, respectively.

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

The Company's resolution on earnings distribution for 2022 approved by the Board of Directors on March 9, 2023 is as follows:

	2022
Legal reserve provided	$ 6,401
Special reserve provided	$ 57,608

The appropriation of earnings for 2022 is subject to resolution at the shareholders' meeting to be held on June 9, 2023.

(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, 2022						
Shares of the Company held by subsidiaries as a deduction to equity	20,178	-	-	20,178	$ 332,836	$ 143,059
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

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

	2022	2021
Revenue from the sales of goods	$ 6,869,836	$ 6,597,834
Service revenue	-	47
	$ 6,869,836	$ 6,597,881

(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, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 50,585	$ 51,105	$ 3,213
Trade receivables	$ 684,948	$ 928,570	$ 995,931
Contract liabilities - current (accounted for as other current liabilities)			
Sales of goods	$ 982	$ 1,366	$ 1,928

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:

	2022	2021
Contract liabilities at the beginning of the year		
Sales of goods	$ 1,366	$ 1,928

XXI. Net profit before income tax

(I) Other income

	2022	2021
Gain on disposal of property, plant and equipment	$ 5,245	$ 3,405

(II) Interest Income

	2022	2021
Bank deposits	$ 465	$ 51
Loans	-	3,423
Imputed interest on deposits	33	34
	$ 498	$ 3,508

(III) Other Income

	2022	2021
Service fee on endorsements and guarantees	$ 11,986	$ 11,109
Grants	4,867	13,489
Dividend income	1	2,427
Others	26,938	31,555
	$ 43,792	$ 58,580

(IV) Other Gains and Losses

	2022	2021
Loss by fire (Note 29)	($ 449,532)	$ -
Gain on insurance proceeds (Note 29)	415,397	-
Net gains (losses) on foreign currency exchange	64,096	(18,097)
Others	6,421	(822)
	$ 36,382	($ 18,919)

Net income (loss) on foreign currency exchange includes:		
Total gains on foreign currency exchange	$ 152,544	$ 54,685
Total loss on foreign currency exchange	(88,448)	(72,782)
	$ 64,096	($ 18,097)

(V) Interest Expenses

	2022	2021
Interests on borrowings	$ 39,932	$ 42,181
Interest on lease liabilities	603	736
Less: Amounts included in the cost of required assets	1,431	929
	$ 39,104	$ 41,988

Information related to interest capitalization is as follows:

	2022	2021
Amount of interest capitalization	$ 1,431	$ 929
Interest rate on interest capitalization	1.15%～1.77%	1.02%～1.15%

(VI) Depreciation expenses

	2022	2021
An analysis of depreciation by function		
Operating costs	$ 263,131	$ 241,541
Operating expenses	57,824	62,580
	$ 320,955	$ 304,121

(VII) Employee benefits expenses

	2022	2021
Short-term employee benefits		
Salaries	$ 942,258	$ 974,647
Labor and health insurance	105,716	102,291
Others	41,313	36,718
	1,089,287	1,113,656
Retirement benefits		
Defined contribution plans	33,645	34,315
Defined benefit plans (Note 18)	39,123	38,703
	72,768	73,018
	$ 1,162,055	$ 1,186,674
By function		
Operating costs	$ 813,737	$ 810,879
Operating expenses	348,318	375,795
	$ 1,162,055	$ 1,186,674

(VIII) Employees' compensation and remuneration of directors

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 employees' compensation and remuneration of directors for the year ended December 31, 2022 and 2021, which were approved by the Board of Directors on March 9, 2023 and March 3, 2022, respectively, were as follows:

Estimated percentage

	2022	2021
Employees' compensation	3.5%	2.0%
Remuneration of directors	-	-

Amount

	2022	2021
Employees' compensation	$ 906	$ 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.

There is no difference between the actual distribution of employees' compensation and remuneration of directors in 2021 and the recognized amount in the financial statements in 2021.

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

	2022	2021
Current income tax		
Incurred during the year	$ 1,164	$ 2,336
Adjustments for prior years	3,160	-
Deferred income tax		
Incurred during the year	(1,162)	(2,336)
	$ 3,162	$ -

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

	2022	2021
Net profit before income tax	$ 25,006	$ 181,871
Income tax expenses calculated based on the net profit before income tax at the statutory rate	$ 5,001	$ 36,374
Unrecognized loss carryforwards	1,382	7,327
Recognized temporary differences	(10,475)	(24,615)
Loss (gain) on investments accounted for using equity method	2,504	(21,340)
Non-deductible expenses in determining taxable income	426	402
Tax-exempt income	-	(485)
Withholding tax incurred for overseas income	1,164	2,337
Adjustments to current income tax expenses for previous years during the year	3,160	-
	$ 3,162	$ -

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

	2022	2021
Deferred income tax		
Incurred during the year		
Remeasurement on defined benefit plans	($ 7,065)	($ 371)

(III) Current tax assets and liabilities

	December 31, 2022	December 31, 2021
Current Tax Assets		
Tax refund receivable	$ 1,868	$ 1,868

(IV) Deferred tax assets and liabilities

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

2022

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Closing balance
Temporary differences				
Allowance for sales discount	$ 1,431	$ -	$ -	$ 1,431
Unrealized Gains from Subsidiaries	6,885	1,692	-	8,577
Defined benefit retirement plan	15,324	328	(7,065)	8,587
Payable for annual leave	3,333	1,994	-	5,327
Loss on inventory valuation	43,185	(4,075)	-	39,110
	70,158	(61)	(7,065)	63,032
Loss carryforwards	27,651	386	-	28,037
	$ 97,809	$ 325	($ 7,065)	$ 91,069

Deferred Tax Liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Closing balance
Temporary differences				
Reserve for land value increment tax	$ 169,777	$ -	$ -	$ 169,777
Unrealized exchange gains	728	(837)	-	(109)
	$ 170,505	($ 837)	$ -	$ 169,668

2021

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income/ (loss)	Closing balance
Temporary differences				
Unrealized exchange losses	$ 10,295	($ 10,295)	$ -	$ -
Allowance for sales discount	1,431	-	-	1,431
Unrealized Gains from Subsidiaries	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 inventory valuation	58,000	(14,815)	-	43,185
	95,116	(24,587)	(371)	70,158
Loss carryforwards	-	27,651	-	27,651
	$ 95,116	$ 3,064	($ 371)	$ 97,809

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

(V) Deductible temporary differences and unused loss carryforwards of deferred tax assets which have yet to be recognized in the balance sheets

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 306,372	$ 358,745
Loss carryforwards		
Expire in 2029	$ -	$ 8,575
Expire in 2030	219,404	219,404
Expire in 2031	131,912	130,488
Expire in 2032	9,164	-
	$ 360,480	$ 358,467

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

As of December 31, 2022, information on loss carryforward is as follows:

Balance not deducted yet	Last year of deduction
$ 304,728	2030
183,212	2031
12,728	2032
$ 500,668	

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

As of December 31, 2022 and 2021, taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were NT$1,761,044 thousand and NT$1,397,173 thousand, respectively.

(VIII) Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

XXIII. Earnings per share

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

	2022	2021
Net profit for the year	$ 21,844	$ 181,871

Number of shares

Unit: thousand shares

	2022	2021
Basic earnings per share		
Number of issued ordinary shares at the beginning of the year	694,643	394,643
Add: Weighted average number of shares from cash capital increase	-	87,945
Less: 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 per share	674,465	462,410
Impacts of potential ordinary shares with dilution effect:		
Employees' compensation	193	390
The weighted average number of ordinary shares used in the calculation of diluted earnings per share	674,658	462,800

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

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 (including those from related parties), other receivables (including those from related parties), financial assets at amortized cost - non-current (accounted for as other non-current assets), 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, 2022

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Other Comprehensive Income				
Investments in equity instruments				
- Shares of domestic unlisted companies	$ -	$ -	$ 5,267	$ 5,267

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

There were no transfers between Level 1 and 2 during the years ended December 31, 2022 and 2021.

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

Financial Assets at Fair Value through Other Comprehensive Income	Equity instruments 2022	Equity instruments 2021
Opening balance	$ 3,448	$ 3,448
Recognized in other comprehensive income (Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income)	1,819	-
Closing balance	$ 5,267	$ 3,448

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

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

(III) Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortized cost (Note 1)	$ 1,347,000	$ 1,284,877
Financial Assets at Fair Value through Other Comprehensive Income		
Investments in equity instruments	5,267	84,974
Financial liabilities		
Measure at amortized costs (Note 2)	4,029,409	3,976,602

Note 1: The balances include cash, notes and trade receivables (including those from related parties), other receivables (including those from related parties), financial assets at amortized cost - non-current (accounted for as other non-current assets), refundable deposits (accounted for as other 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 Company's major financial instruments include investments in equity instruments, trade receivables, trade payables, borrowings, and lease liabilities. The Company's treasury management department 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 Company 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 Company 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 Company did not perform any financial instruments (including derivative financial instruments) transaction for speculative purposes.

1. Market risk

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

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

(1) Foreign currency risk

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

The carrying amounts of monetary assets and monetary liabilities not denominated in the functional currency of the Company at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company is mainly exposed to the fluctuation of the United States dollar (USD) and Thai Baht (THB).

The following table details the Company's sensitivity to a 1% increase and decrease in NTD (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 in net profit before income tax that would result when NTD weakens 1% against the relevant currency. For a 1% strengthening of NTD against the relevant currency, the effect on the net profit before income tax would be the same amount in negative.

	USD impact	
	2022	2021
Profit or loss	$ 6,171	$ 877

	THB impact	
	2022	2021
Profit or loss	$ 302	$ 344

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, sales not denominated in the functional currency would change in accordance with the customer's contract and investment positions of assets.

(2) Interest rate risk

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

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 100	$ -
- Financial liabilities	1,961,802	972,075
With cash flow interest rate risk		
- Financial assets	115,655	46,080
- Financial liabilities	1,427,500	1,986,907

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 Company’s net profit before income tax for the years ended December 31, 2022 and 2021 would have decreased by NT$13,118 thousand and NT$19,408 thousand, respectively, which primarily relates to the Company's floating rate borrowings.

(3) Other price risks

The Company was exposed to equity price risk due to its investments in shares. The Company 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, 2022 and 2021 would have increased/decreased by NT$53 thousand and NT$850 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 Company. At the end of the reporting period, the Company's maximum exposure to credit risk due to the failure of counterparties to discharge its obligations is primarily arising from:

   (1) Carrying amounts of financial assets recognized in the balance sheets.

   (2) The maximum possible amount payable by the Company for providing financial guarantees regardless of the probability of occurrence.

   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 Company has trade receivable.

   At the end of 2022 and 2021, the amount of maximum credit exposure assumed by the Company through engaging in endorsement and guarantee not recognized in the statements is NT$2,349,694 thousand and NT$2,337,910 thousand, respectively.

3. Liquidity risk

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

   The Company'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.

   Liquidity and interest rate risk table for non-derivative financial liabilities

   The analysis of remaining contractual maturity for the Company’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 Company can be required to make the repayment. Specifically, the Company'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, 2022

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$ 500,718	$ 180,107	$ 906	$ 721
Lease liabilities	4,666	3,923	25,133	8,923
Floating rate instruments	82,559	491,054	240,054	649,371
Fixed rate instruments	1,021,507	591,308	313,436	-
Financial guarantee liabilities	2,349,694	-	-	-
	$ 3,959,144	$ 1,266,392	$ 579,529	$ 659,015

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	$ 33,722	$ 8,923	$ -	$ -

December 31, 2021

	Payment on demand or less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$ 863,605	$ 225,584	$ -	$ 721
Lease liabilities	5,041	4,722	26,262	37,056
Floating rate instruments	416,948	153,065	823,947	612,375
Fixed rate instruments	800,270	100,051	-	-
Financial guarantee liabilities	2,337,910	-	-	-
	$ 4,423,774	$ 483,422	$ 850,209	$ 650,152

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	$ 36,025	$ 37,056	$ -	$ -

The amounts of floating interest rate instruments for both non-derivative financial assets and liabilities above are subject to change due to differences between the floating interest rate and the interest rate estimated at the end of the reporting period.

The amount of financial guarantee contract is the maximum amount that may be payable by the Company in performing the guarantee obligations when the holder of the financial guarantee contract claims for the entire guarantee amount from the guarantor. However, based on the expectations at the end of the reporting period, the Company is in the opinion that it is unlikely to pay for such contractual amounts.

XXVI. Related Party Transactions

Transactions between the Company 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 Company
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)
Jin Lead Industrial Co., Ltd.	Other related parties (the Company is the corporate director of Jin Lead Industrial Co., Ltd.)
Everest Textile (HK) Co., Ltd. (Everest HK)	Subsidiary (with a shareholding of 99.3%)
Everest Investment (Holding) Ltd. (Everest Bermuda)	Subsidiary (with a shareholding of 100%)
Everest International Develop Investment Co., Ltd. (Everest International)	Subsidiary (with a shareholding of 100%)
Everest International (HK) Limited (Everest International HK)	Subsidiary (with a shareholding of 100%)
Everest Apparel (HK) Limited (Everest Apparel HK)	Subsidiary (with a shareholding of 100%)
Everest Textile (Thailand) Co., Ltd. (Everest Thailand)	Subsidiary (with a shareholding of 100%)
Everest Textile (Shanghai), Ltd. (Everest Shanghai)	Subsidiary (with a shareholding of 100%)
Everest Textile USA, LLC. (Everest USA)	Subsidiary (with a shareholding of 100%)
Everest Development USA, LLC. (Everest Development USA)	Subsidiary (with a shareholding of 100%)
Everest Apparel (Ethiopia) S.C. (Everest Ethiopia)	Subsidiary (with a shareholding of 100%)
Everest Apparel (Haiti) S.A. (Everest Haiti)	Subsidiary (with a shareholding of 100%)

(II) Sales of goods

Category of related party	2022	2021
Subsidiary	$ 832,241	$ 842,923
Other related parties	-	5,432
Investors with significant influence over the Company	6,819	260
	$ 839,060	$ 848,615

The sales to related parties are made at general transaction prices with collection terms of 1 to 6 months, equivalent to general customers.

(III) Purchases

Category of related party	2022	2021
Investors with significant influence over the Company	$ 216,498	$ 254,982
Other related parties	413,779	403,059
Subsidiary	388,544	398,950
	$ 1,018,821	$ 1,056,991

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 6 months.

(IV) Receivables from related parties (excluding loans to related parties)

Line item	Category/name of related party	2022 December 31	2021 December 31
Trade receivables from related parties	Subsidiary		
	Everest USA	$ 101,035	$ 31,446
	Everest Shanghai	21,154	42,377
	Others	12,508	23,455
	Other related parties	401	1,831
		$ 135,098	$ 99,109
Other receivables from related parties	Subsidiary		
	Everest USA	$ 9,286	$ 2,050
	Everest Haiti	6,144	5,601
	Everest International HK	4,968	8,887
	Everest Ethiopia	4,730	4,523
	Others	557	698
	Other related parties	-	33
		$ 25,685	$ 21,792

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no allowance for losses was provided for receivables from related parties.

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

Line item	Category/name of related party	December 31, 2022	December 31, 2021
Notes payable to related parties	Investors with significant influence over the Company		
	Far Eastern New Century Corporation (FENC)	$ 17,048	$ 19,337
Trade payables to related parties	Subsidiary		
	Everest USA	$ 57,377	$ 135,177
	Everest Thailand	44,803	68,446
	Everest International HK	5,478	6,096
	Others	9,291	3,046
	Other related parties	20,304	46,007
	Investors with significant influence over the Company	2,179	1,382
		$ 139,432	$ 260,154
Other payables to related parties	Investors with significant influence over the Company	$ -	$ 1
	Subsidiary	52	381
		$ 52	$ 382

The outstanding payables to related parties are unsecured and will be settled in cash.

(VI) Disposals of property, plant and equipment

Category/name of related party	Disposal consideration		Disposal gains	
	2022	2021	2022	2021
Subsidiary				
Everest Haiti	$ -	$ 772	$ -	$ 141

(VII) Borrowings from related parties

Category/name of related party	December 31, 2022	December 31, 2021
Other related parties (included in short-term and long-term borrowings)		
FEIB	$ 10,000	$ 496,146

Interest Expenses

Category/name of related party	2022	2021
Other related parties		
FEIB	$ 2,487	$ 3,153

The interest rates of the Company's borrowings from related parties are similar to the market interest rates for the years ended December 31, 2022 and 2021. In addition, to apply for a credit line, the Company provided land, buildings and machinery equipment as collateral to FEIB for financing. The carrying amounts of the related assets were NT$1,154,686 thousand and NT$1,284,240 thousand as of December 31, 2022 and 2021, respectively.

(VIII) Endorsement and guarantee

The amount guaranteed by the Company for related parties is as follows:

Category/name of related party	December 31, 2022	December 31, 2021
Subsidiary		
Everest USA	$ 2,195,765	$ 2,117,520
Everest International HK	1,136,270	719,680
Everest International	540,000	667,000
Everest Thailand	307,100	276,800
Everest Bermuda	61,420	138,400
	$ 4,240,555	$ 3,919,400

Category/name of related party	2022	2021
Service fee on endorsements and guarantees		
Subsidiary		
Everest USA	$ 7,588	$ 6,833
Everest International HK	2,086	2,050
Others	2,312	2,226
	$ 11,986	$ 11,109

(IX) Other transactions with related parties

1. Processing expenses

Category/name of related party	2022	2021
Subsidiary		
Everest Thailand	$ 639,054	$ 561,124
Others	64,979	57,972
Other related parties		
Jin Lead Industrial Co., Ltd.	33,393	43,863
	$ 737,426	$ 662,959

The transactions are made at general transaction prices; payment terms and receivables offset mutually or range from 1 to 2 months, similar to those provided to the general processing suppliers.

2. Commission expenses

Category/name of related party	2022	2021
Subsidiary		
Everest International HK	$ 26,706	$ 19,502

3. Procurement transaction on behalf of others

The amount of purchasing equipment, supplies, dyeing agents, and advances made by the Company on behalf of related parties is as follows:

Category/name of related party	2022	2021
Subsidiary		
Everest Thailand	$ 55,853	$ 45,270
Everest International HK	33,657	52,848
Everest USA	22,660	24,692
Everest Haiti	7,406	9,041
Everest Ethiopia	7,312	12,843
Everest Shanghai	1,129	1,155
	$ 128,017	$ 145,849

(X) Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 23,296	$ 19,701
Retirement benefits	2,067	2,314
	$ 25,363	$ 22,015

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 and customs deposits:

	December 31, 2022	December 31, 2021
Land	$ 472,450	$ 472,450
Buildings	202,956	218,588
Machinery and equipment	648,145	764,980
Financial assets at amortized cost - non-current (accounted as other non-current assets)		
- Pledged bank time deposits	100	-
	$ 1,323,651	$ 1,456,018

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) Contracted but outstanding contractual commitments of the Company are as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 140,777	$ 72,005

(II) As of December 31, 2021, the Company's unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately NT$13,436 thousand.

XXIX. Major disaster loss

A fire broke out at the warehouse of the Company's Tainan Factory on March 15, 2022, causing damage to part of the buildings and inventory. The amount of damage before deducting claims was NT$449,532 thousand. All the damaged assets were insured by the

Company. The gain on insurance proceeds of NT$415,397 thousand has been recognized in 2022, and has been fully collected in February 2023.

XXX. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is an aggregation of the foreign currencies other than functional currencies of the Company, 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, 2022

Financial assets	Foreign currencies	Exchange rate	Carrying amount
Monetary items			
USD	$ 25,793	30.71	$ 792,091
THB	33,821	0.8941	30,239
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	96,582	30.71	2,966,034
Financial liabilities			
Monetary items			
USD	5,697	30.71	174,962

December 31, 2021

Financial assets	Foreign currencies	Exchange rate	Carrying amount
Monetary items			
USD	$ 31,813	27.68	$ 880,583
THB	44,983	0.8347	37,548
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	96,275	27.68	2,664,905
Financial liabilities			
Monetary items			
USD	28,643	27.68	792,849
THB	3,728	0.8347	3,112

The carrying amount of the above investments accounted for using the equity method in NTD is the amount before deducting unrealized gains.

Significant foreign currency exchange gain or loss (including those realized and unrealized) is as follows:

	2022		2021	
Currency	Exchange rate	Net exchange gains	Exchange rate	Net exchange (losses) gains
USD	29.8043 (USD: NTD)	$ 57,132	28.0088 (USD: NTD)	($ 19,594)
THB	0.8555 (THB: NTD)	6,942	0.8823 (THB: NTD)	1,429
Others		22		68
		$ 64,096		($ 18,097)

XXXI. 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. (None)

(II) Information on Invested Companies. (Table 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: (Table 4, 5 and 8)

(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 9)

Everest Textile Co., Ltd. and Subsidiaries

Loaning to Others

For the year ended December 31, 2022

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 Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	$ 519,373	$ 506,998	$ 506,998	1.26～5.23	2.	$ -	Working capital	$ -	None	$ -	$ 1,642,326 (Note 1)	
		Everest Apparel (HK) Limited	Other receivables from related parties	Yes	105,642	105,642	105,642	1.26～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	47,601	47,601	16,987	1.26～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	316,313	316,313	313,045	4.72～5.23	2.	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	81,996	81,996	30,710	5.23	2	-	Working capital	-	None	-	1,642,326 (Note 1)	
		Everest Apparel (Ethiopia) S.C.	Other receivables from related parties	Yes	59,885	59,885	8,704	5.23	2	-	Working capital	-	None	-	1,642,326 (Note 1)	
					$ 1,130,810	$ 1,118,435	$ 982,086									$ 2,737,210 (Note 2)
2	Hongzhan Textile (Shanghai) Ltd.	Everest International (HK) Limited	Other receivables from related parties	Yes	$ 399,230	$ 399,230	$ 399,230	0.21～4.47	2.	-	Working capital	-	None	-	1,704,076 (Note 1)	2,556,114 (Note 2)
3	Everest Textile USA, LLC.	Everest Development USA, LLC.	Other receivables from related parties	Yes	$ 130,518	$ 130,518	$ 130,518	1.87～7.16	2.	-	Working capital	-	None	-	896,644 (Note 1)	1,344,966 (Note 2)
		Everest Apparel (Haiti) S.A.	Other receivables from related parties	Yes	328,597	328,597	328,597	1.87～7.16	2.	-	Working capital	-	None	-	896,644 (Note 1)	
					$ 459,115	$ 459,115	$ 459,115									

Note 1: Attributable to 150% equity of HK International HK, 100% equity of Everest Textile Shanghai, and 100% equity of Everest Textile USA, LLC.

Note 2: Attributable to 250% equity of HK International HK, 150% equity of Everest Textile Shanghai, and 150% equity of Everest Textile USA, LLC.

Note 3: Nature of the loan:

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

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

Everest Textile Co., Ltd. and Subsidiaries

Endorsement and Guarantee Provided for Others

For the year ended December 31, 2022

Table 2

Unit: NT$ Thousands

Code	Name of the endorsement and guarantee provider	Parties being endorsed and guaranteed: Name of the company	Parties being endorsed and guaranteed: Relationship	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
0	The Company	Everest Investment (Holding) Ltd.	Subsidiary - 100% shareholding	$ 5,291,030	$ 153,550	$ 61,420	$ 18,426	$ -	0.87		Y	N	N
		Everest Textile (Thailand) Co., Ltd.	〃	5,291,030	307,100	307,100	76,893	-	4.35		Y	N	N
		Everest International Develop Investment Co., Ltd.	〃	5,291,030	667,000	540,000	335,000	-	7.65		Y	N	N
		Everest Textile USA, LLC.	〃	5,291,030	2,349,315	2,195,765	1,409,589	-	31.12		Y	N	N
		Everest International (HK) Limited	〃	5,291,030	1,136,270	1,136,270	509,786	-	16.11		Y	N	N
					$ 4,613,235	$ 4,240,555	$ 2,349,694		60.10	$ 10,582,061			

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, 2022

Table 3

Unit: NT$ Thousands

Company held	Category and name of securities	Relationship with the issuer of securities	Accounting item	End of the period				Remarks
				Unit/number of shares	Carrying amount	Ratio (%)	Market value/net equity value	
The Company	Jin Lead Industrial Co., Ltd. - shares of an unlisted company	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	526,800	$ 5,252	19	$ 5,252	
	Dah Chung Bills Finance Corp. - shares of a listed company	None	〃	1,204	15	-	15	
					$ 5,267		$ 5,267	
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	$ 143,059	2.9	$ 143,059	

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, 2022

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	$ 639,054	74	Settle every 1 month	No comparable goods under the same category	—	($ 44,803)	(11)	
		Subsidiary	Sales	(319,471)	(5)	Settle every 6 months	Equivalent	Equivalent	-	-	
	Far Eastern New Century Corporation (FENC)	Company evaluates the Company using the equity method	Purchases	216,498	7	Settle every 1 to 2 months, except for partial advance payments made for yarn products	Equivalent	Equivalent	(19,227)	(5)	
	Far Eastern Fibertech Co., Ltd.	Company evaluates the Company using the equity method	Purchases	248,419	8	Settle every 1 month	Equivalent	Equivalent	(3,358)	(1)	
	Jin Lead Industrial Co., Ltd.	The Company is a corporate director of Jin Lead Industrial Co., Ltd.	Purchases	165,360	6	Settle every 1 month	Equivalent	Equivalent	(16,946)	(4)	
	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	(328,987)	(5)	Settle every 6 months	Equivalent	Equivalent	21,154	3	
	Everest Textile USA, LLC.	Subsidiary	Purchases	306,142	10	Settle every 1 to 2 months	Equivalent	Equivalent	(57,377)	(14)	
		Subsidiary	Sales	(152,150)	(2)	Settle every 6 months	Equivalent	Equivalent	101,035	14	
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(913,435)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	27,963	14	
Everest Textile USA, LLC.	Everest Textile (Thailand) Co., Ltd.	Fellow subsidiary	Sales	(187,008)	(26)	Settle every 6 months	Equivalent	Equivalent	71,303	46	

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, 2022

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		
The Company	Everest Textile USA, LLC.	Subsidiary	$ 101,035	2.30	$ -	—	$ 19,494	$ -
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	408,536	Note	-	—	-	-
Everest Textile USA, LLC.	Everest Apparel (Haiti) S.A.	Fellow subsidiary	346,738	Note	-	—	-	-
	Everest Development USA, LLC.	Fellow subsidiary	135,080	Note	-	—	-	-
Everest International (HK) Limited	Everest Apparel (Ethiopia) S.C.	Fellow subsidiary	554,553	Note	-	—	-	-
	Everest Apparel (Haiti) S.A.	Fellow subsidiary	346,435	Note	-	—	-	-
	Everest Apparel (HK) Limited	Fellow subsidiary	110,350	Note	-	—	-	-

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, 2022

Table 6

Unit: NT$ Thousands

Name of the investing company	Name of the investee Companies	Location	Principal business activities	Initial investment amount: End of the period	Initial investment amount: End of previous year	Held at the end of the period: Number of shares	Held at the end of the period: Ratio (%)	Held at the end of the period: Carrying amount	Current (loss) gain of the investee company	Investment (loss) gain recognized for the period	Remarks
The Company	Everest Investment (Holding) Ltd.	Bermuda	Holdings and international trade	$ 955,893	$ 955,893	1,300	100	$ 2,950,012	$ 196,732	$ 196,732	
	Everest International Develop Investment Co., Ltd.	Taiwan	General investment	1,998,400	1,998,400	191,400,000	100	290,819 (Note 1)	(208,913)	(208,913)	
	Everest Textile (HK) Co., Ltd.	Hong Kong	International trade	2,427	2,427	695,000	99.3	1,020	(338)	(338)	
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	1,279,902	8,618		
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	1,094,884	36,844		
	Everest Apparel (HK) Limited	Hong Kong	Investment and holdings	848,467	848,467	27,580,000	100	(441,940)	(239,719)		
Everest International (HK) Limited	Everest USA Holdings, Inc.	The U.S.	Investment and holdings	1,260,433	1,260,433	1,000	100	955,681	(6,328)		
Everest USA Holdings, Inc.	Everest Development USA, LLC.	The U.S.	Operating asset management	79,170	79,170	2,500,000	100	52,874	(6,298)		
	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	896,644	(486)		
Everest Apparel (HK) Limited	Everest Apparel (Ethiopia) S.C.	Ethiopia	Apparel production	557,696	557,696	542,415	100	27,061	(45,399)		
	Everest Apparel (Haiti) S.A.	Haiti	Apparel production	390,960	390,960	4,000	100	(358,615)	(191,038)		

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

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

Everest Textile Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the year ended December 31, 2022

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 (Note 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	$ 921,300 (US$30,000 thousand)	The Company's indirect investment via the third party Everest Investment (Holding) Ltd.	$ 980,349 (US$30,000 thousand)	$ -	$ -	$ 980,349 (US$30,000 thousand)	$ 187,783	100	$ 188,988	$ 1,704,076	$ -

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by the Ministry of Economic Affairs Investment Committee (Note 2)	Investment limits stated by MOEAIC regarding investments in Mainland China (Note 1)
$ 921,300 (US$30,000 thousand)	$ 921,300 (US$30,000 thousand)	$ 4,232,824

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 ($7,054,707×60%＝$4,232,824).

Note 2: The amount is translated at a currency rate where USD$1 equals NT$30.71.

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

Note 4: Investment gains recognized for the period is the net amount after deducting the realized gross sales of goods amounted to NT$1,205 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, 2022

Table 8

Unit: NT$ Thousands

			Transaction status				Circumstance and reason for transaction amount differ from general transactions		Notes and trade receivables (payables)		
Purchasing (selling) company	Counterparty	Relationship	Purchase (sales) of goods	Amount	Ratio to total purchase (sales) of goods (%)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and trade receivables (payables) (%)	Unrealized gains (losses)
The Company	Everest Textile (Shanghai) Ltd.	Subsidiary	Sales	($ 328,987)	(5)	Settle every 6 months	Equivalent	Equivalent	$ 21,154	3	$ 16,022
Everest Textile (Shanghai) Ltd.	Everest International (HK) Limited	Fellow subsidiary	Sales	(913,435)	(41)	Settle every 2 to 4 months	Equivalent	Equivalent	27,963	14	(171)
Everest Textile (Thailand) Co., Ltd.	Everest Textile (Shanghai) Ltd.	Fellow subsidiary	Sales	(97,184)	(5)	Settle every 2 to 4 months	Equivalent	Equivalent	14	-	-

Everest Textile Co., Ltd.

Information on Major Shareholders

December 31, 2022

Table 9

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

§STATEMENTS OF SIGNIFICANT ACCOUNTING ITEMS§

Everest Textile Co., Ltd.

Statement of Cash

December 31, 2022

Statement 1

Unit: NT$ Thousands

(NT$ for foreign currency)

Items	Amount
Petty cash	$ 1,281
Cash on hand	481
Bank deposits	
Checks and demand deposits	22,796
Foreign currency demand deposits (Note 1)	106,930
	$ 131,488

Note 1: USD $3,481,918.42 and EUR$0.05.

Note 2: USD and EUR are translated at the currency rate of US$1 = NT$30.71 and EUR$1 = NT$32.72, respectively.

Everest Textile Co., Ltd.

Statement of Notes Receivable

December 31, 2022

Statement 2 | Unit: NT$ Thousands

Name of customer	Summary	Amount
Incurred due to operations		
Great King Garment Co., Ltd.	Sales	$ 31,626
Shing Ho Precision Textile Co., Ltd.	Sales	8,104
Others (Note)	Sales	10,855
		$ 50,585

Note: The balances of each customer are less than 5% of the balances for the item.

Everest Textile Co., Ltd.

Statement of Trade Receivables

December 31, 2022

Statement 3 | Unit: NT$ Thousands

Name of customer	Summary	Amount	Remarks (Note 2)
YOUNGONE (CEPZ) LIMITED	Sales	$ 45,931	$ -
SABRINA FASHION INDUSTIRIAL CORP.	Sales	39,097	-
MAXPORT LIMITED	Sales	37,324	-
Others (Note 1)		430,147	2,477
		552,499	$ 2,477
Less: allowance for losses		2,649	
		$ 549,850	

Note 1: The balance of each customer does not exceed 5% of the balance of this item.

Note 2: The account age of each customer is overdue for over a year, and an allowance for losses amounted to NT$2,477 thousand is provided.

Everest Textile Co., Ltd.

Statement of Other Receivables

December 31, 2022

Statement 4 Unit: NT$ Thousands

Items	Amount
Insurance claims receivable	$ 415,397
Sales tax refund receivable	28,245
Others (Note)	1,436
	$ 445,078

Note: The balances of each customer are less than 5% of the balances for the item.

Everest Textile Co., Ltd.

Statement of Inventories

December 31, 2022

Statement 5 — Unit: NT$ Thousands

Items	Amount: Costs	Amount: Net realizable value
Finished goods	$ 2,344,633	$ 2,700,470
Work in progress	1,276,222	1,396,291
Raw materials	54,655	56,581
Supplies	192,121	200,949
	$ 3,867,631	$ 4,354,291

Note: The net realizable value is the estimated selling price of inventories less estimated costs to be invested until the completion and the estimated costs required for the completion of the sale under general circumstances.

Everest Textile Co., Ltd.

Statement of Changes in Investments Using the Equity Method

2022

Statement 6

Unit: NT$ Thousands

Name	Opening balance: Number of shares	Opening balance: Amount	Net increase (decrease) during the year: Number of shares	Net increase (decrease) during the year: Amount	Net increase (decrease) during the year: Remarks	Investment income or loss	Cumulative translation adjustment	Closing balance: Number of shares	Closing balance: Shareholding (%)	Closing balance: Amount	Market value/net equity value	Provision of guarantee or pledge
Unlisted companies												
Everest Investment (Holding) Ltd.	1,300	$ 2,660,535	-	($ 11,652)	Note	$ 196,732	$ 104,397	1,300	100	$ 2,950,012	$ 2,966,034	None
Everest International Develop Investment Co., Ltd.	191,400,000	750,762	-	3,187	Note	(208,913)	78,619	191,400,000	100	623,655	650,522	〃
Everest Textile (HK) Co., Ltd.	695,000	1,215	-	-	Note	(338)	143	695,000	99.3	1,020	1,020	〃
		3,412,512		($ 8,465)		($ 12,519)	$ 183,159			3,574,687	$ 3,617,576	
Less: the Company's shares held by subsidiaries that are deemed as treasury shares		332,836								332,836		
		$ 3,079,676								$ 3,241,851		

Note: The changes in the amount during the year are adjustment to downstream transactions and no loss or gains was realized.

Everest Textile Co., Ltd.

Statement of Short-term Borrowings

December 31, 2022

Statement 7

Unit: NT$ Thousands

	Borrowing term	Annual interest rate (%)	Balance	Financing line	Pledge or guarantee
Credit borrowings					
Export-Import Bank of the Republic of China	2022.9～2023.9	1.2835	$ 40,000		None
Export-Import Bank of the Republic of China	2022.9～2023.9	1.2864	80,000		None
Shanghai Commercial & Savings Bank	2022.10～2023.1	1.1500	80,000	Note 1	None
Shanghai Commercial & Savings Bank	2022.12～2023.1	1.1500	20,000	Note 1	None
Mizuho Bank	2022.11～2023.2	1.8900	80,000		None
Mizuho Bank	2022.11～2023.1	1.8600	30,000		None
Mizuho Bank	2022.11～2023.1	1.8600	70,000		None
Mizuho Bank	2022.12～2023.1	1.8000	100,000		None
First Commercial Bank	2022.11～2023.2	1.5750	200,000		None
CTBC Bank	2022.12～2023.5	1.8500	260,000		None
Bank SinoPac	2022.12～2023.3	1.9200	200,000		None
Shin Kong Commercial Bank	2022.11～2023.2	1.7300	150,000		None
Shin Kong Commercial Bank	2022.11～2023.5	1.7300	30,000		None
Shin Kong Commercial Bank	2022.11～2023.5	1.7500	20,000		None
			1,360,000		
Secured borrowings					
Far Eastern International Bank	2022.12～2023.2	1.8600	10,000	Note 2	Yes
			$ 1,370,000		

Note 1: The amount of NT$225,000 thousand was shared with long-term loans.

Note 2: The amount of NT$622,929 thousand was shared with long-term loans.

Everest Textile Co., Ltd.

Statement of Notes Payable

December 31, 2022

Statement 8

Unit: NT$ Thousands

Name of the supplier	Summary	Amount
Formosa Asahi Spandex Co., Ltd.	Purchase of materials	$ 7,472
Tainan Spinning Co. Ltd.	Purchase of materials	6,576
Chung Shing Textile Marketing Co., Ltd.	Purchase of materials	4,136
Hong Yi Fiber Ind. Co., Ltd.	Purchase of materials	1,252
Others (Note)		185
		$ 19,621

Note: The balances of each customer are less than 5% of the balances for the item.

Everest Textile Co., Ltd.

Statement of Trade Payable

December 31, 2022

Statement 9

Unit: NT$ Thousands

Name of the supplier	Summary	Amount
Taiwan Nicca Chemical Co., Ltd.	Purchase of materials	$ 20,147
Chung Shing Textile Marketing Co., Ltd.	Purchase of materials	11,858
Farsmart Co., Ltd.	Purchase of materials	11,754
Others (Note)		188,422
		$ 232,181

Note: The balances of each customer are less than 5% of the balances for the item.

Everest Textile Co., Ltd.

Statement of Long-term Borrowings

December 31, 2022

Statement 10

Unit: NT$ Thousands

	Borrowing term	Annual interest rate (%)	Balance	Financing line	Pledge or guarantee
Credit borrowings					
Shanghai Commercial & Savings Bank	2020.4～2023.4	1.6750	$ 25,000	Note	None
Shanghai Commercial & Savings Bank	2022.12～2025.12	1.9300	100,000	Note	None
Mega International Commercial Bank	2019.9～2024.9	1.6550	157,500	$ 306,900	None
Hua Nan Commercial Bank	2020.6～2023.6	1.5300	75,000	75,000	None
Bangkok Bank	2022.6～2025.6	1.8800	350,000	350,000	None
Entie Bank	2022.9～2024.9	1.6070	100,000	123,610	None
KGI Bank	2022.10～2023.1	2.0474	70,000	392,900	None
KGI Bank	2022.11～2023.2	2.0488	130,000	392,900	None
			1,007,500		
Secured borrowings					
Mega International Commercial Bank	2022.9～2023.3	1.6050	100,000	306,900	Yes
			1,107,500		
Less: Due within one year			490,000		
			$ 617,500		

Note: The amount of NT$225,000 thousand was shared with short loans.

Everest Textile Co., Ltd.

Statement of Operating Revenue

2022

Statement 11

Unit: NT$ Thousands

Items	Quantity	Amount
Total sales income		
Finished fabric	48,135 thousand yards	$ 5,063,104
Draw textured yarn	12,926 tonnes	1,408,220
Others (Note)		522,961
		6,994,285
Less: Sales return		37,895
Sales discount		86,554
Net sales of goods		$ 6,869,836

Note: The amounts are less than 10% of the balances for the item.

Everest Textile Co., Ltd.

Statement of Operating Costs

2022

Statement 12

Unit: NT$ Thousands

Items	Amount
Raw materials at the beginning of the year	$ 111,626
Add: Purchase of raw materials for the year	1,443,456
Net inventory gain	524
Less: Cost of raw materials sold	64,072
Transferred expenses	2,492
Raw materials at the end of the year	54,655
Direct raw material consumption	1,434,387
Direct Labor	473,800
Manufacturing expenses	1,957,765
Manufacturing costs	3,865,952
Add: Work in progress at the beginning of the year	1,337,020
Less: Work in progress at the end of the year	1,276,222
Net inventory loss	749
Transferred expenses	417
Cost of finished goods	3,925,584
Add: Finished good at the beginning of the year	2,243,198
Outsourced during the year	1,557,297
Outsourced processing fee	865,714
Less: Finished good at the end of the year	2,344,633
Net inventory loss	12,463
Transferred expenses	451,898
Cost of Goods Sold	5,782,799
Add: Cost of sales for raw materials	64,072
Net inventory loss	12,688
Less: Income from scraps	576
Operating costs	$ 5,858,983

Everest Textile Co., Ltd.

Statement of Operating Expenses

2022

Statement 13

Unit: NT$ Thousands

Items	Summary	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Salaries and bonuses	Salary, bonus, overtime pay, etc.	$ 88,377	$ 111,023	$ 83,511	$ 282,911
Shipping expenses	Land, sea, and air transportation expenses for goods	299,401	11,925	433	311,759
Travel expenses	Transportation, meals, and miscellaneous expenses for employees on business trips	18,549	12,236	15,521	46,306
Depreciation	Provision for property, plant and equipment and right-of-use assets	23,254	23,348	11,222	57,824
Commissions	Fees paid to domestic and foreign distributors	45,559	-	-	45,559
Services fees	Payment of fees for professional services, etc.	58	12,046	1,150	13,254
Requisition of finished goods	Sample fee	9,506	48	13,522	23,076
Advertising expenses	Advertising fees for product sales and talents recruitment	1,567	111	17,127	18,805
Others		106,755	55,663	46,577	208,995
		$ 593,026	$ 226,400	$ 189,063	$ 1,008,489

Everest Textile Co., Ltd.

Summary Statement of Employee Benefits and Depreciation Expenses by Function

Statement 14 Unit: NT$ Thousands

	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	$ 659,347	$ 279,321	$ 938,668	$ 664,090	$ 306,727	$ 970,817
Labor and health insurance	76,942	28,774	105,716	72,412	29,879	102,291
Pension	50,537	22,231	72,768	50,616	22,402	73,018
Remuneration of directors	-	3,590	3,590	-	3,830	3,830
Others	26,911	14,402	41,313	23,761	12,957	36,718
	$ 813,737	$ 348,318	$ 1,162,055	$ 810,879	$ 375,795	$ 1,186,674
Depreciation	$ 263,131	$ 57,824	$ 320,955	$ 241,541	$ 62,580	$ 304,121

Note:

1. The number of employees for the year and the previous year was 1,618 and 1,682, respectively, which included 8 and 9 non-employee directors for both years, respectively.
2. For companies whose shares have been listed on the Taiwan Stock Exchange or traded on Taipei Exchange, disclose additional information as follows:
   (1) The average employee benefits expenses for the year is NT$720 thousand ("Total employee benefit expenses for the year - total remuneration of directors"/"Number of employees for the year - number of non-employee directors"). The average employee benefits expenses for the previous year is NT$707 thousand ("Total employee benefit expenses for the previous year - total remuneration of directors"/"Number of employees for the previous year - number of non-employee directors").
   (2) The average employee salary expenses for the year is NT$583 thousand (Total employee salary expenses for the year/"Number of employees for the year - number of non-employee directors"). The average employee salary expenses for the previous year is NT$580 thousand (Total employee salary expenses for the previous year/"Number of employees for the previous year - number of non-employee directors").
   (3) Changes in average employee salary expenses 0.5% ("Average employee salary expenses for the year - average employee salary expenses for the previous year"/Average employee salary expenses for the previous year).
   (4) There is no supervisor for the year and the previous year.
   (5) The Company’s policies for compensation of managers and employees and the remuneration for directors are as follow:
      1) The remuneration of the directors is based on the degree of their participation in and contributions to the business operations. Independent directors are paid a fixed remuneration.
      2) The compensation of the managers and employees is based on their academic background, experience, evaluation of personal performance and consideration of the Company's operating results.

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