

Swancor Holding Co., Ltd. Meeting Notice of 2023 Annual Shareholders' Meeting

- I. Time: 9:00 a.m. Monday, May 29, 2023 Venue: International Conference Hall, Central Taiwan Innovation Campus, MOEA, No.2, Wenxian Road, Nantou City, Nantou County. Shareholders shall report to the same address specified above and start to register for the meeting at 8:30 a.m.
- II. Meeting Agenda: (I) Reports: 1. 2022 Business Report 2. 2022 Audit Committee's Audit Report 3. 2022 Profit Distribution to Employees and Directors 4. Repurchase of Treasury Shares 5. Status on the Issuance of 2021 3rd Domestic Secured Convertible Bond and 4th Domestic Non-secured Convertible Bond (II) Ratifications: 1. 2022 Business Report and Financial Statements 2. 2022 Earning Distribution (III) Discussions: 1. Amendments to partial content of the Procedures for Acquisition and Disposal of Assets 2. Proposal for Issuing New Restricted Employee Shares (IV) Extempore Motions
- III. The Board of Directors came up with the 2022 cash dividend proposal: Cash dividend to shareholders is NT\$5 per share. After the approval of the Shareholders' Meeting, the cash dividend will be distributed on the ex-dividend date set by the Board of Directors. The actual ex-dividend ratio shall be adjusted in accordance with the actual number of outstanding shares on the ex-dividend date.
- IV. Instructions for Issuing New Restricted Employee Shares, please refer to attachment.
- V. Regarding the main content of this Shareholders' Meeting, if there are matters stipulated in Article 172 of the Company Act, except provided otherwise by a convening notice, for the main contents of this meeting, please go to the Market Observation Post System (MOPS) (website: <http://mops.twse.com.tw>), click on "Basic information / E-book / Annual report and related information of shareholders meeting" (including "Depository Receipt"), enter the Company's code, year and select the information of the Shareholders Meeting).
- VI. Pursuant to Article 165 of the Company Act, the shareholder roster shall not be altered from March 31 to May 29, 2023. For those who would like to open a new account (supply a specimen chop), please refer to the Stock Affair Agency Dept. of Taishin Securities Co., Ltd. for help.
- VII. In case that a shareholder solicits for power of attorney, the Company will formulate the Summary Table of Solicitor Solicitation Information before April 28, 2023, and disclose it on the Securities & Futures Institution website. Investors who wish to search for the information can visit <http://free.sfi.org.tw> and directly enter query condition. The Company's statistical verification organization for power of attorney is the Stock Affair Agency Dept. of Taishin Securities Co., Ltd.
- VIII. In addition to public information on the MOPS, the shareholders shall submit the sign-in card and the letter of proxy to the meeting. If the shareholder decides to attend in person, please sign or seal the third copy, "Sign-in Card," and bring it to the venue on the day of the meeting (please do not send it back). If the proxy is going to attend, the shareholder shall sign or seal the letter of proxy, fill in the relevant information and signature or seal of the proxy, and send it to the Company's stock agent, Taishin Securities Co., Ltd., no later than 5 days before the meeting.
- IX. Shareholders may exercise their voting rights by electronic means in the Shareholders' Meeting. E-voting period: April 29 to May 26, 2023. Please visit the Taiwan Depository & Clearing Corporation's "Stock Vote" website during the time period and vote in accordance with the instructions

provided. [Website: <https://www.stockvote.com.tw>]

- X. Please bring your National Identification Card for inspection when you attend the Shareholders' Meeting.
- XI. Please be advised and act accordingly.

To:

Shareholders

Board of Directors, Swancor Holding Co., Ltd

Attachment

Instructions for Issuing New Restricted Employee Shares

1. The Company intends to issue new restricted employee shares in accordance with the provisions of Paragraph 9, Article 267 in the Company Act and the relevant regulations of the Financial Supervisory Commission, including the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers".
2. The estimated total amount of new restricted employee shares to be issued: the number of common shares shall be 450,000 shares which is equivalent to 0.45% of the Company's issued common shares, with a par value of NT\$10 per share, for a total amount of NT\$4.5 million. Within one year after the resolution of the shareholders' meeting, the Company may report to the competent authority all at one time or in a series of separate steps. Within two years from the date of the effective notification of the competent authority's approval of the report, the Company may issue the shares in one or several tranches as deemed necessary. The actual issue date shall be determined by the Board of Directors under the authority of the Chair of Directors.
3. Terms of Issue
 - (I) Par value of each share: NT\$0 per share, i.e., shares granted to employees.
 - (II) Vesting Conditions
 - (1) If an employee is still in employment on each vesting date after being allotted (i.e., the capital increase recordation date) new restricted employee shares, and has not violated the Company's labor contract, work rules, prohibition of competition, prohibition of part-time employment, confidentiality agreement or contractual agreements with the Company during the period as approved by the Company, and has achieved the employee's personal performance evaluation objectives set by the Company and the Company's operating goals for each year, the vesting percentage of new restricted employee shares on each year's vesting date shall be as follows:
 - Completion of 1 year of service after allotment: 40% of allotted shares.
 - Completion of 2 year of service after allotment: 60% of allotted shares.
 - (2) Employee's personal performance evaluation objectives: according to the evaluation grade of the year before each vesting date, the employee's individual performance evaluation result shall be S (including S) or above.
 - (3) The Company's operating goals:

If the Company's net income for the period, after excluding "gain/loss on disposal of investments" and related taxes, attributable to the owners of the parent company in the consolidated financial statements for the year preceding each vesting date is a positive amount, the Company's target achievement rate shall be calculated based on the growth rate of consolidated operating revenues (excluding operating revenues from

mergers and acquisitions during the vesting period) compared to 2022.

- Growth in operating revenue in 2023 compared to 2022: threshold 10%, target 45%.
- Growth in operating revenue in 2024 compared to 2022: threshold 25%, target 80%.

Note 1. The Company's target achievement rate: less than the threshold: 0%, equal to the threshold: 50%, more or equal to the target: 100%, between the threshold and the target: calculated by interpolation.

Note 2. The actual number of shares to be vested shall be calculated based on the vesting ratio set by the Company's achievement of operating goals and the employees' individual performance evaluations. If a calculation of the aforementioned ratio results in a fraction or decimal point, it shall be rounded off. The calculation of the vested shares shall be completed up to the number of shares, and any share that is less than one shall be unconditionally rounded off.

(III) Type of shares issued: Common shares of the Company.

(IV) Handling of employees' failure to meet vesting conditions or in the event of inheritance: If employees fail to meet vesting conditions, the Company shall take back the shares without compensation and cancel them. All other matters shall be handled in accordance with the Company's issuance regulations.

4. Necessary reasons for issuing new restricted employee shares: To attract and retain the employees the Company needs, to motivate employees and to enhance their motivation in order to jointly create benefits for the Company and its shareholders, and to ensure that the interests of employees are aligned with those of shareholders.

5. Employee qualification requirements and number of shares allotted.

(I) Eligible employees shall be limited to full-time employees of the Company before the date of granting new restricted employee shares and employees of control or subordinate companies who meet certain criteria which shall be authorized to be set by the Board of Directors.

(II) The actual number of shares to be granted to employees and the number of shares to be allotted to them shall be determined by the Chair of Directors with reference to the length of service, grade, performance, overall contribution, special merit or other management criteria, and shall be approved by the Board of Directors after submission to the Board of Directors for approval, except that the qualification of employees with the status of managers or directors with the status of employees shall first be approved by the Compensation Committee and then reported to the Board of Directors for resolution. For employees who are not managers or directors, they shall report to the Audit Committee for approval and then to the Board of Directors for resolution.

(III) The cumulative number of shares granted to a sole employee through the issuance of employee stock warrants in accordance with paragraph 1,

Article 56-1 in the aforementioned Regulations Governing the Offering and Issuance of Securities by Securities Issuers, plus the cumulative number of new restricted employee shares shall not exceed 3‰ of the total number of shares issued, and the cumulative number of shares granted to a sole employee through the issuance of employee stock warrants in accordance with paragraph 1, Article 56 in said Regulations shall not exceed 1% of the total number of shares issued.

6. The recognizable expenses: Based on the closing securities price of NT\$100 per share on January 16, 2023, the total amount that can be recognized as expenses shall be estimated to be NT\$45 million, and the estimated amounts that can be recognized as expenses shall be NT\$13.125 million, NT\$24 million and NT\$7.875 million for the year 2023 to 2025, respectively.
7. Impacts on the Company's earnings per share: Based on the current number of common shares and the number of new restricted employee shares, the company's earnings per share shall be estimated to decline by NT\$0.13, NT\$0.25 and NT\$0.08 for the year 2023 to 2025, respectively.
8. Other factors affecting shareholders' equity: The number of shares issued shall be still limited to the dilution of the Company's earnings per share, so there is no significant effect on shareholders' equity.