Stock Code:3708

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Swancor Holding Company Limited and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: No. 588, Dongmin Rd, Nantou City 54066, Taiwan
Telephone: (049)225-5420

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Swancor Holding Company Limited as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10"Consolidated Financial Statements. " Endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Swancor Holding Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Swancor Holding Company Limited
Chairman: Jau-Yang, Tsai
Date: March 6, 2025

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Independent Auditors' Report

To the Board of Directors of Swancor Holding Company Limited:

Opinion

We have audited the consolidated financial statements of Swancor Holding Company Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. 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 Republic of China, 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 of 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 current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

   Refer to Note 4(n) "Revenue" and Note 6(y) "Revenue from contracts with customers" to the consolidated financial statements.

   Description of key audit matter:

   Revenue recognition when the control in each individual contract with customers is transferred. The Company recognizes revenue depending on the various sales terms in each individual contract with customers of the Group' s management. In addition, since the Company is a listed company, it takes responsibility to maintain stable revenue in order to meet investors' expectation; therefore, sales revenue has been identified as one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Company's internal controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standard, and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders, and assessing whether the accounting treatment of the related contracts (including sales terms) is applied appropriately; performing a test regarding the details on sales revenue, and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns, which incurred within a certain period before, or after, the balance sheet date; and evaluating the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

2. Evaluation of Accounts receivable

Please refer to Note 4(g) "Financial instruments", Note 5(a) "The loss allowance of accounts receivable" and Note 6(d) "Notes and accounts receivable" to the consolidated financial statements.

Description of key audit matter:

The Group's accounts receivable is concentrated within certain customers, and the determination of allowance for accounts receivable relies on the management's subjective judgment. Therefore, the valuation of accounts receivables is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, concerning the allowance of accounts receivable, we analyze the overdue aging report, historical collection records and concentration of credit risk from clients in order to determine whether the Company recognizes its allowance of accounts receivable and the amount appropriately.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 auditor's 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 Standards on Auditing of the Republic of China will always detect a material misstatement 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 consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. 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.

2. Obtained 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.

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

4. Concluded 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities 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 remain solely responsible for our audit opinion.

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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Cheng-Hsueh and Chang, Tzu-Hsin.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited and subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,060,652	14	3,065,552	22
1110	Current financial assets at fair value through profit or loss (note 6(b) and (p))	2,722	-	2,634	-
1150	Notes receivable, net (note 6(d))	1,590,581	11	978,783	7
1170	Accounts receivable, net (note 6(d))	2,210,614	15	2,102,766	15
1200	Other receivables	2,318	-	10,073	-
1220	Current tax assets	3,345	-	37,871	-
130X	Inventories (note 6(e))	1,051,948	7	722,625	5
1410	Prepayments	62,580	-	48,385	-
1479	Other current assets (note 6(l))	87,925	1	99,427	1
1476	Other current financial assets (note 6(l) and 8)	1,575,273	11	1,573,380	11
	Total current assets	8,647,958	59	8,641,496	61
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	50,480	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	273,853	2	252,363	2
1550	Investments accounted for using equity method (note 6(f))	862,485	6	881,689	6
1600	Property, plant and equipment (note 6(i) and 8)	4,155,925	28	3,852,977	27
1755	Right-of-use assets (note 6(j) and 8)	326,365	2	239,184	2
1780	Intangible assets (note 6(k))	50,223	-	47,530	-
1840	Deferred tax assets(note 6(u))	171,170	1	156,792	1
1990	Other non-current assets (note 6(l) and 8)	235,911	2	201,040	1
	Total non-current assets	6,126,412	41	5,631,575	39
	Total assets	$ 14,774,370	100	14,273,071	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(m) and 8)	$ 643,171	4	430,805	3
2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (p))	-	-	436	-
2130	Current contract liabilities (note 6(y))	85,429	1	10,681	-
2150	Notes payable	515,451	3	163,025	1
2170	Accounts payable	2,114,748	14	1,911,343	13
2180	Accounts payable to related parties (note 7)	122,302	1	86,394	1
2200	Other payables (note 6(n) and (t))	562,206	4	542,738	4
2220	Other payables to related parties (note 7)	5,000	-	5,000	-
2230	Current tax liabilities	103,464	1	250,246	2
2300	Other current liabilities (note 6(n), (r) and (s))	183,827	1	38,071	-
2321	Bonds payable, current portion (note 6(p) and 8)	-	-	1,516,598	10
2322	Long-term borrowings, current portion (note 6(o) and 8)	77,702	1	80,063	1
2280	Current lease liabilities (note 6(q))	17,318	-	16,532	-
	Total current liabilities	4,430,618	30	5,051,932	35
	Non-Current liabilities:				
2530	Bonds payable (note 6(p) and 8)	403,594	3	-	-
2540	Long-term borrowings (note 6(o) and8)	339,221	2	397,024	3
2550	Non-current provisions (note 6(r))	-	-	7,900	-
2570	Deferred income tax liabilities(note 6(u))	17,504	-	85,196	1
2670	Other non-current liabilities, others (note 6(n), (s) and (w))	63,021	1	50,172	-
2580	Non-current lease liabilities (note 6(q))	44,747	-	15,446	-
	Total non-current liabilities	868,087	6	555,738	4
	Total liabilities	5,298,705	36	5,607,670	39
	Equity attributable to owners of parent (note 6(v)):				
3100	Ordinary shares	1,103,445	7	985,601	7
3200	Capital surplus (note 6(p) and (w))	4,529,989	31	3,570,421	25
3300	Retained earnings	3,006,603	20	3,307,547	23
3400	Other equity	(265,941)	(2)	(455,501)	(3)
3500	Treasury shares	(64,664)	-	(47,301)	-
	Total equity attributable to owners of parent:	8,309,432	56	7,360,767	52
36xx	Non-controlling interests (note 6(h))	1,166,233	8	1,304,634	9
	Total equity	9,475,665	64	8,665,401	61
	Total liabilities and equity	$ 14,774,370	100	14,273,071	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(c) and (y))	$ 7,872,159	100	7,294,813	100
5000	**Operating costs** (note 6(e) , (t) and 7)	6,102,691	78	5,960,308	82
	Gross profit from operations	1,769,468	22	1,334,505	18
	Operating expenses (note 6(t) ,(z) and 7):				
6100	Selling expenses	632,252	8	466,504	6
6200	Administrative expenses	473,997	6	382,321	5
6300	Research and development expenses	271,107	3	249,309	4
6450	Impairment (gain) loss determined in accordance with IFRS 9 (note 6(d))	(3,629)	-	6,263	-
		1,373,727	17	1,104,397	15
	Net operating income	395,741	5	230,108	3
	Non-operating income and expenses (note 6(ab)):				
7100	Interest income	54,671	1	54,993	1
7010	Other income and expenses	26,337	-	35,159	-
7020	Other gains and losses (note 6(g) and (p))	118,672	1	1,200,788	17
7050	Finance costs (note 6(p) and (q))	(37,931)	-	(49,586)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	(56,020)	(1)	(23,355)	-
		105,729	1	1,217,999	17
	Profit before income tax	501,470	6	1,448,107	20
7950	**Income tax expenses** (note 6(u))	130,168	1	166,109	3
	Profit	371,302	5	1,281,998	17
8300	**Other comprehensive income** (note 6(v)):				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	4,150	-	(2,100)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		4,150	-	(2,100)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	240,965	3	(94,400)	(1)
8367	Unrealized (losses) gains from investments in debt instruments measured at fair value through other comprehensive income	(1,181)	-	2,549	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		239,784	3	(91,851)	(1)
8300	**Other comprehensive income, net**	243,934	3	(93,951)	(1)
	Total comprehensive income	**$ 615,236**	**8**	**1,188,047**	**16**
	Profit attributable to:				
8610	Owners of parent	284,089	4	1,256,499	17
8620	Non-controlling interests (note 6(h))	87,213	1	25,499	-
		$ 371,302	**5**	**1,281,998**	**17**
	Comprehensive income attributable to:				
8710	Owners of parent	473,649	6	1,186,181	16
8720	Non-controlling interests (note 6(h))	141,587	2	1,866	-
		$ 615,236	**8**	**1,188,047**	**16**
	Earnings per share (NT Dollars) (note 6(x))				
9750	**Basic earnings per share**	**$ 2.71**		**12.88**	
9850	**Diluted earnings per share**	**$ 2.53**		**11.04**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
			Retained earnings				Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	**$ 981,311**	**3,533,803**	**292,074**	**391,367**	**1,854,698**	**2,538,139**	**(333,092)**	**(14,645)**	**-**	**(347,737)**	**(47,301)**	**6,658,215**	**1,289,252**	**7,947,467**
Profit for the year	-	-	-	-	1,256,499	1,256,499	-	-	-	-	-	1,256,499	25,499	1,281,998
Other comprehensive income for the year	-	-	-	-	-	-	(70,767)	449	-	(70,318)	-	(70,318)	(23,633)	(93,951)
Total comprehensive income for the year	-	-	-	-	1,256,499	1,256,499	(70,767)	449	-	(70,318)	-	1,186,181	1,866	1,188,047
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	90,315	-	(90,315)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(43,630)	43,630	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(487,091)	(487,091)	-	-	-	-	-	(487,091)	-	(487,091)
Conversion of convertible bonds	11	84	-	-	-	-	-	-	-	-	-	95	-	95
Issuance of restricted employee stock	4,279	33,167	-	-	-	-	-	-	(37,446)	(37,446)	-	-	-	-
Changes in ownership interests in subsidiaries	-	522	-	-	-	-	-	-	-	-	-	522	(522)	-
Share-based payments transactions	-	2,845	-	-	-	-	-	-	-	-	-	2,845	745	3,590
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	13,293	13,293
Balance at December 31, 2023	**$ 985,601**	**3,570,421**	**382,389**	**347,737**	**2,577,421**	**3,307,547**	**(403,859)**	**(14,196)**	**(37,446)**	**(455,501)**	**(47,301)**	**7,360,767**	**1,304,634**	**8,665,401**
Balance at January 1, 2024	$ 985,601	3,570,421	382,389	347,737	2,577,421	3,307,547	(403,859)	(14,196)	(37,446)	(455,501)	(47,301)	7,360,767	1,304,634	8,665,401
Profit for the year	-	-	-	-	284,089	284,089	-	-	-	-	-	284,089	87,213	371,302
Other comprehensive income for the year	-	-	-	-	-	-	186,591	2,969	-	189,560	-	189,560	54,374	243,934
Total comprehensive income for the year	-	-	-	-	284,089	284,089	186,591	2,969	-	189,560	-	473,649	141,587	615,236
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	125,650	-	(125,650)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	107,764	(107,764)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(585,033)	(585,033)	-	-	-	-	-	(585,033)	-	(585,033)
Conversion of convertible bonds	128,254	993,786	-	-	-	-	-	-	-	-	-	1,122,040	-	1,122,040
Recall of restricted employee stock	(1,940)	1,940	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(94,186)	(94,186)	-	(94,186)
Cancellation of treasure share	(8,470)	(68,353)	-	-	-	-	-	-	-	-	76,823	-	-	-
Share-based payments transactions	-	(2,555)	-	-	-	-	-	-	-	-	-	(2,555)	(670)	(3,225)
Decrease in non-controlling interests	-	34,750	-	-	-	-	-	-	-	-	-	34,750	(279,318)	(244,568)
Balance at December 31, 2024	**$ 1,103,445**	**4,529,989**	**508,039**	**455,501**	**2,043,063**	**3,006,603**	**(217,268)**	**(11,227)**	**(37,446)**	**(265,941)**	**(64,664)**	**8,309,432**	**1,166,233**	**9,475,665**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Profit before tax	$ 501,470	1,448,107
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	300,198	254,607
Amortization expenses	11,757	11,954
Expected credit (gains) and losses	(3,629)	6,263
Net gains on financial assets or liabilities at fair value through profit	(29,971)	(1,215,883)
Interest expense	37,931	49,586
Interest income	(54,671)	(54,993)
Dividend income	(2,059)	(2,049)
Share-based payment transactions	(3,225)	3,590
Share of loss of associates and joint ventures accounted for using equity method	56,020	23,355
Losses (gains) on disposal of property, plant and equipment	2,810	(141)
Amortization of deferred income	(5,325)	(5,267)
Gains on lease modification	(157)	(237)
Others	(6,580)	-
Total adjustments to reconcile profit (loss)	303,099	(929,215)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(614,518)	1,473,055
(Increase) decrease in accounts receivable	(101,875)	368,564
Decrease in other receivables	37,465	4,089
(Increase) decrease in inventories	(329,323)	176,826
Increase in prepayments	(14,195)	(4,593)
Increase in other operating assets	(1,602)	(39,449)
Total changes in operating assets	(1,024,048)	1,978,492
Changes in operating liabilities:		
Increase (decrease) in notes payable	352,426	(263,590)
Increase in accounts payable	203,405	203,643
Increase in accounts payable to related parties	35,908	82,076
Increase in other payables	20,191	72,960
Increase (decrease) in other operating liabilities	68,836	(45,560)
Total changes in operating liabilities	680,766	49,529
Total adjustments	(40,183)	1,098,806
Cash inflow generated from operations	461,287	2,546,913
Dividends received	2,059	2,049
Interest received	54,905	55,242
Interest paid	(27,205)	(33,320)
Income taxes paid	(324,494)	(126,985)
Net cash flows from operating activities	166,552	2,443,899
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(13,182)	(148,822)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,181	6,172
Acquisition of financial assets at fair value through profit or loss	(50,480)	(1,238)
Proceeds from disposal of financial assets at fair value through profit or loss	103	1,870,118
Acquisition of property, plant and equipment	(453,018)	(614,708)
Proceeds from disposal of property, plant and equipment	14,166	26,647
Increase in refundable deposits	(12,089)	(1,825)
Acquisition of intangible assets	(13,426)	(3,625)
Acquisition of investment properties	(49,453)	-
Increase in other financial assets	(1,893)	(1,416,260)
Increase in prepayments for business facilities	(74,885)	(147,902)
Net cash flow used in investing activities	(651,976)	(431,443)
Cash flows used in financing activities:		
Increase in short-term borrowings	1,095,968	959,501
Decrease in short-term borrowings	(883,602)	(1,823,370)
Proceeds from long-term borrowings	33,955	-
Repayments of long-term borrowings	(98,832)	(97,679)
(Decrease) increase in guarantee deposits received	(255)	87
Repayments of lease liabilities	(14,604)	(15,314)
Cash dividends paid	(585,033)	(487,091)
Payments to acquire treasury shares	(94,186)	-
Increase in deferred income	-	8,670
Change in non-controlling interests	-	13,293
Net cash flow used in financing activities	(546,589)	(1,441,903)
Effect of exchange rate changes on cash and cash equivalents	27,113	(32,071)
Net (decrease) increase in cash and cash equivalents	(1,004,900)	538,482
Cash and cash equivalents at beginning of period	3,065,552	2,527,070
Cash and cash equivalents at end of period	**$ 2,060,652**	**3,065,552**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Swancor Holding Company Limited (the "Company") was incorporated on August 31, 2016 as a Company limited by transferred preference shares from Swancor Industrial Company Limited (Swancor) and registered under the Company Act of the Republic of China (ROC), wherein the Company's shares were listed on the Taiwan stock Exchange (TNSE) on the same day. The Company and its subsidiaries (together referred to as the "Group") is primarily involved in the manufacturing and trading business of precision chemical materials, Vinyl Ester Resins & UP Resin light composite material resins, energy conservation LED resins, energy conservation wind power laminar resins and painting.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ' operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company' s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

(Continued)

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value.

3) Cash-settled share-based payment liabilities are measured at fair value.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

Swancor Holding Company Limited and subsidiaries
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprised of the Company and its subsidiaries. The Group accounted an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that the control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the Group' s share of net assets before and after the change, and any considerations received or paid, are adjusted to or against the Group reserves.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding	
Name of Investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**
Swancor Holding	Swancor Innovation & Incubation Co., Ltd. (Swancor Innovation & Incubation)	Management consulting	100%	100%
Swancor Holding	S-Wanlai Co., Ltd. (S-Wanlai)	Producing and selling of circular economy products	100%	100%
Swancor Holding	Sunwell Carbon Fiber Composites Corporation., Ltd. (Sunwell Carbon Fiber Composites)	Producing and selling of carbon	100%	86.42%
Swancor Holding	Strategic Capital Holding Ltd. (Strategic)	Investing and holding of subsidiaries	100%	100%
Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite Co., Ltd. (Sunwell (Jiangsu) Carbon Fiber Composite)	Producing and selling of carbon	83.89%	83.89%
Sunwell Carbon Fiber Composite	COTECH, INC. (COTECH)	Producing and selling of carbon	80.82%	80.82%
Strategic	Swancor Ind. Co., Ltd. (Samoa) (Swancor)	Investing and holding of subsidiaries	100%	100%

(Continued)

Swancor Holding Company Limited and subsidiaries
Notes to the Consolidated Financial Statements

			Shareholding	
Name of Investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**
Strategic	Swancor Advanced Materials Co., Ltd. (Swancor Advanced Materials)	Producing and selling Viny1 Ester Resins and light composite material resins	15.19%	15.20%
Swancor	Swancor Advanced Materials	Producing and selling Vinyl Ester Resins and light composite material resins	64.02%	64.03%
Swancor Advanced Materials	Swancor (Tianjin) Wind Blade Materials Co., Ltd. (Swancor (Tianjin))	Producing and selling of energy conservation wind power laminar resins	100%	100%
Swancor Advanced Materials	Swancor (Jiangsu) New Materials Co., Ltd. (Swancor (Jiangsu))	Producing and selling of energy conservation wind power laminar resins and Vinyl Ester Resins	100%	100%
Swancor Advanced Materials	Swancor (HK) Investment Co., Ltd. (Swancor (HK))	Investing and holding of subsidiaries	100%	100%
Swancor Advanced Materials	Shandong Longneng Renewable Resources Utilization Co.,Ltd. (Shandong Longneng)	Wind power and turbines are recycled, and then processed, sold and traded.	55%	55%
Swancor (HK)	Swancor Ind(M) SDN.BHD. (Swancor Ind(M))	Producing and selling Vinyl Ester Resins and light composite material resins	100%	100%
Swancor (HK)	Swancor Highpolymer Co., Ltd. (Swancor Highpolymer)	Producing and selling Vinyl Ester Resins and light composite material resin	100%	100%
S-Wanlai	Swancor Netherlands B.V. (Swancor Netherlands)	Technical services	100%	-
S-Wanlai	Swancor Recycling Technology(Jiangsu) Ltd. (Swancor Recycling)	Producing and selling of recycled carbon fiber and glass fiber	100%	100%

List of subsidiaries which are not included in the consolidated financial statements: None.

(iii) Changes in ownership of subsidiaries from January 1, 2023 to December 31, 2024 were as follow：

The Group invested an additional amount of $150,000 thousand in its subsidiary, S-Wanlai, on May 8, 2023; and the related registration procedures had been completed.

In October 31, 2023, Swancor Advanced Materials acquired 55% equity interest in Shandong Longneng.

The Group invested an additional amount of $157,150 thousand in its subsidiary, Swancor Recycling, on November 7, 2023; and the related registration procedures had been completed.

(Continued)

In July 18, 2024, S-Wanlai acquired 100% equity interest in Swancor Netherlands.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Nonmonetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of translation.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interest. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planed nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

(Continued)

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and time deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

Swancor Holding Company Limited and subsidiaries
Notes to the Consolidated Financial Statements

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- it is contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

(Continued)

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes its loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets) and debt investments measured at fair value through other comprehensive income.

The Group measures its loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL：

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 361 days past due or the debtor is unlikely to fully pay its credit obligations to the Group.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be twA or higher per Taiwan Ratings'.

(Continued)

Swancor Holding Company Limited and subsidiaries
Notes to the Consolidated Financial Statements

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs resulting from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data：

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 361 days past due；
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

(Continued)

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

ii) Financial liabilities and equity instrument

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(Continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any change of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share. Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

(Continued)

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings and structures: 1~50 years

2) Machinery and equipment: 1~15 years

3) Other equipment: 1~50 years

4) The significant components and related useful lives of buildings and structures and machinery and equipment are as follow:

Components	Useful Lives	Components	Useful Lives
Buildings and structures	25years	Machinery and equipment	15years
Electrical power equipment	20years	Power distribution project	15years
Improvement construction	20years	Piping construction	5~10 years
Fire protection engineering	20years		

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

(Continued)

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be paid under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is measured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Group’s estimate of the amount expected to be paid under a residual value guarantee; or

3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or

5) there are any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use set to reflect the partial or full termination of the lease, and recognize in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and liabilities for less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Technique: 5 years

2) Computer software: 1~10 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group manufactures and sells precision chemical materials, Vinyl Easter Resins and light composite material resins to composite material manufacturers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(Continued)

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(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

iii) the costs are expected to be recovered.

For general and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(Continued)

(o) Government grants and government assistance

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

Government assistance in the form of a guarantee from the government for loans from financial institutions was considered to calculate in market interest rate. The difference of the amount was recognized as deferred income and the deferred income was shared to other income based on complete planning in the loan period.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Group authorized the price and number of a new award.

(Continued)

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that it is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of transitions (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary difference;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(s) Earnings per share

The Group discloses the Company’ s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’ s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

a) The loss allowance of accounts receivable

The Group has estimated the loss allowance of accounts receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. Changes in the economic environment and industry trends may result in significant adjustments to the loss allowance of trade receivables. The relevant assumptions and input values, please refer to note 6(d).

(Continued)

(b) Valuation of inventories

The Group strives to use the market observable inputs when measuring its assets and liabilities. Different levels of fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(6) Explanation of significant accounts:

(a) Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Petty cash and cash on hand	$ 600	632
Demand deposits	1,669,275	1,847,998
Time deposits	390,777	1,216,922
Cash and cash equivalents in the consolidated statement of cash flow	**$ 2,060,652**	**3,065,552**

Please refer to note 6(ac) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial Assets and Liabilities at Fair Value Through Profit or Loss

	December 31, 2024	December 31, 2023
Financial assets designated at fair value through profit or loss：		
Convertible corporate bonds- call right	$ 498	-
Derivative instruments not used for hedging-Forward exchange contracts	-	48
Stocks listed on domestic markets	2,224	2,586
Stocks unlisted on domestic markets	50,480	-
Total	**$ 53,202**	**2,634**
Financial liabilities mandatorily measured at fair value through profit or loss：		
Convertible corporate bonds- put right	**$ -**	**436**

During 2024 and 2023, the dividend of $59 thousand and $ 49 thousand, respectively, related to equity investment at fair value through profit or loss held on December 31, 2024 and 2023, were recognized as operating revenues.

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A resolution was decided during the Board of Directors meeting held on January 18, 2023, determine to disposal of 7.5% of its share in Formosa I International Investment Co., Ltd and completed the transaction in April 2023. The disposition price is USD40,000 thousand and deducted the agreed amounts. The Group had recognized gains (accounting other gains and losses) due to the disposal transactions of $689,252 thousand, please refer to note 6(ab).

A resolution was decided during the Board of Directors meeting held on August 8, 2023, determine to disposal of 5% of its share in Synera Renewable Energy Co., Ltd. and completed the transaction in October 2023. The disposition price is USD8,000 thousand and deducted the agreed amounts. The Group had recognized gains (accounting other gains and losses) due to the disposal transactions of $43,900 thousand, please refer to note 6(ab).

For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(ac).

The Group holds derivative financial instruments to hedge certain foreign exchange and interest rate risk exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	December 31, 2023			
	Amount (in thousands)		**Currency**	**Maturity date**
Forward exchange contracts	EUR	83	TWD to EUR	2023.12.31~2024.01.15
	EUR	79	TWD to EUR	2023.12.15~2024.01.12
	EUR	76	TWD to EUR	2024.01.23~2024.02.11

(c) Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Debt investments at fair value through other comprehensive income：		
Corporate bonds	$ 119,022	101,682

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income：		
Stocks listed on domestic markets	$ 49,800	45,650
Stocks unlisted on domestic markets	105,031	105,031
Subtotal	154,831	150,681
Total	**$ 273,853**	**252,363**

(i) Debt investments at fair value through other comprehensive income

The Group has assessed that the securities were held within a business model whose objective was achieved by collecting the contractual cash flows and by selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2024 and 2023.

According to equity investments at fair value through other comprehensive income, the Group recognized dividend income amounting $2,000 thousand for the year ended December 31, 2024 and 2023, respectively, which had been recognized as operating revenues.

For credit risk and market risk, please refer to note 6(ac).

The financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral as of December 31, 2024 and 2023.

(iii) The amounts of other comprehensive profit or loss which were recognized at fair value were $2,969 thousand, and $449 thousand.

(d) Notes and Accounts receivable

		December 31, 2024	December 31, 2023
Notes receivable from operating activities	$	792,468	322,493
Notes receivable-fair value through other comprehensive income		804,202	660,035
Less: Loss allowance		(6,089)	(3,745)
	$	**1,590,581**	**978,783**
Accounts receivable - measured as amortized cost	$	2,215,050	2,112,749
Less: Loss allowance		(4,436)	(9,983)
	$	**2,210,614**	**2,102,766**

The Group has assessed that these financial assets are held to collect contractual cash flows and selling financial assets, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at fair value through other comprehensive income.

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2024 and 2023. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of December 31, 2024 and 2023 were determined as follows:

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	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 3,674,379	0.09 %	3,216
Overdue 1 to 90 days	98,960	3.74 %	3,704
Overdue 91 to 180 days	27,205	9.85 %	2,679
Overdue 181 to 270 days	11,176	8.29 %	926
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	-	- %	-
Total	**$ 3,811,720**		**10,525**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 2,854,563	0.06 %	1,662
Overdue 1 to 90 days	162,002	1.48 %	2,398
Overdue 91 to 180 days	68,658	1.86 %	1,276
Overdue 181 to 270 days	6,155	73.00 %	4,493
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	3,899	100 %	3,899
Total	**$ 3,095,277**		**13,728**

The movement in the allowance for notes and trade receivable was as follows:

	2024	**2023**
Balance on January 1	$ 13,728	25,353
Impairment gains and losses recognized	(3,629)	6,263
Amounts written off	-	(17,793)
Foreign exchange losses	426	(95)
Balance on December 31	**$ 10,525**	**13,728**

The notes and accounts receivable of the Group had not been pledged as collateral as of December 31, 2024 and 2023.

The Group evaluate that part of the notes receivable that been endorsed and transferred to other parties the requirements for derecognized financial assets.

The Group transferred $515,864 thousand and $400,397 thousand of trade receivables to an unrelated third party as of December 31, 2024 and 2023. However, if the acceptor (accepting bank) refuses to pay when due, the Group is obliged to pay off to the endorser serve. The acceptor has relatively high credit rating. Under normal circumstances, the Group didn't expect the acceptor to refuse to pay. At the time of transfer, the Group provided a guarantee on those trade receivables to the transferee. Therefore, the Group continues to recognize the full carrying value of the trade receivables transferred, and recognized the cash received from the transfer as a guaranteed loan. In addition, as of December 31, 2024 and 2023, the notes receivable for the transfer of endorsements that have not yet expired were $804,202 thousand and $660,035 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(e) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 387,608	339,110
Finished goods	644,411	365,122
Goods	19,217	17,736
Inventory in transit	712	657
	$ 1,051,948	**722,625**

The cost of goods sold were as follows：

	2024	2023
Inventory that has been sold	6,094,648	5,910,175
Write-down of inventories	(2,954)	31,603
Loss (gain) on physical inventory	2,088	676
Loss on inventory retired	8,909	17,854
	6,102,691	**5,960,308**

As of December 31, 2024 and 2023, the Group did not provide any inventories as collateral for its loans.

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(f) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Associates	$ 862,485	881,689

(i) Associates

Name of Associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2024	Proportion of shareholding and voting rights December 31, 2023
Anhui Meijia New Materials Co., Ltd.	The main business is production and sales of environmental protective and corrosion resistant resin, lightweight composite resin, for the group to expand the wind power industry affiliated companies.	China	23.81%	23.81%

	December 31, 2024	December 31, 2023
Carrying amounts of individually insignificant associate's equity	$ 862,485	881,689

	2024	2023
Attributable to the Group:		
Net loss	$ (56,020)	(23,355)

The Group assessed that Anhui Meijia New Materials Co., Ltd. has been experiencing continuous operational losses in recent years, indicating signs of impairment. In the year 2024, the Group recognized an impairment loss of $50,168 thousand and accounted for the share of profits and losses of associates and joint ventures using the equity method.

The investment accounted for using equity method of the Group had not been pledged as collaterals as of December 31, 2024 and 2023.

(g) Loss control of subsidiaries

The Group lost its control over Synera Renewable Energy due to the disposal of its 95% shares in it on October 24, 2019. Since the share price had fluctuated from $717,721 thousand to $2,959,604 thousand (USD23,019 thousand to USD94,920 thousand), the Group recognized a gain of $482,054 thousand based on the most likely price of $717,721 thousand and had received in 2021.

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The Group had recognized financial assets profit of $471,602 thousand with the condition matched and had received all in December 2023.

The amount of $1,835,374 thousand and $1,599,707 thousand had been collected and recognized, respectively, due to disposal transactions mentioned above as of December 31, 2023.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiary was as follows:

Subsidiaries	Main operation place	Percentage of non- controlling interests December 31, 2024	Percentage of non- controlling interests December 31, 2023
Swancor Advanced Materials	China	20.79%	20.77%

The following information on the aforementioned subsidiary has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intragroup transactions were not eliminated in this information.

The collective financial information of Swancor Advanced Materials:

		December 31, 2024	December 31, 2023
Current assets	$	6,512,736	5,582,229
Non-current assets		2,411,693	2,211,659
Current liabilities		(3,053,092)	(2,467,358)
Non- current liabilities		(84,128)	(55,888)
Net assets	**$**	**5,787,209**	**5,270,642**
Non-controlling interests	**$**	**1,203,161**	**1,094,712**

		For the years ended December 31 2024	For the years ended December 31 2023
Operating revenue	$	6,737,190	6,190,179
Net Operating income	$	401,869	315,044
Other comprehensive income		(52,707)	14,895
Comprehensive income	**$**	**349,162**	**329,939**
Profit, attributable to non-controlling interests	**$**	**83,549**	**65,435**
Comprehensive income, attributable to non-controlling interests	**$**	**72,591**	**68,528**
Net cash flows from operating activities	$	112,952	1,422,851
Net cash flows from investing activities		(377,512)	(594,058)
Net cash flows from financing activities		(111,825)	(54,298)
Net (decrease) increase in cash and cash equivalents	**$**	**(376,385)**	**774,495**
Dividend paid to non-controlling interest	**$**	**(7,856)**	**(7,857)**

(Continued)

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(i) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in progress and Prepayments for land	Total
Cost:						
Balance at January 1, 2024	$ 780,227	1,610,497	1,112,812	778,736	1,155,325	5,437,597
Additions	-	140,923	85,713	123,615	102,767	453,018
Disposals	-	(176)	(14,282)	(36,601)	-	(51,059)
Reclassification	-	1,097,476	56,602	54,999	(1,145,757)	63,320
Effect of movements in exchange rates	-	65,144	46,707	23,306	7,123	142,280
Balance at December 31, 2024	**$ 780,227**	**2,913,864**	**1,287,552**	**944,055**	**119,458**	**6,045,156**
Balance at January 1, 2023	$ 780,227	1,629,445	1,085,980	718,118	661,767	4,875,537
Additions	-	15,189	27,450	56,090	546,627	645,356
Disposals	-	(64)	(48,983)	(12,484)	-	(61,531)
Reclassification	-	(11,308)	64,292	24,794	(50,158)	27,620
Effect of movements in exchange rates	-	(22,765)	(15,927)	(7,782)	(2,911)	(49,385)
Balance at December 31, 2023	**$ 780,227**	**1,610,497**	**1,112,812**	**778,736**	**1,155,325**	**5,437,597**
Depreciation:						
Balance at January 1, 2024	$ -	586,258	494,441	503,921	-	1,584,620
Depreciation	-	101,734	96,128	81,818	-	279,680
Impairment loss	-	-	-	2,895	-	2,895
Disposals	-	(175)	(9,068)	(27,735)	-	(36,978)
Reclassification	-	(211)	-	625	-	414
Effect of movements in exchange rates	-	21,921	20,329	16,350	-	58,600
Balance at December 31, 2024	**$ -**	**709,527**	**601,830**	**577,874**	**-**	**1,889,231**
Balance at January 1, 2023	$ -	521,041	434,697	449,837	-	1,405,575
Depreciation	-	72,500	86,148	74,759	-	233,407
Disposals	-	(51)	(24,825)	(10,149)	-	(35,025)
Reclassification	-	-	5,083	(5,083)	-	-
Effect of movements in exchange rates	-	(7,232)	(6,662)	(5,443)	-	(19,337)
Balance at December 31, 2023	**$ -**	**586,258**	**494,441**	**503,921**	**-**	**1,584,620**
Carrying amounts:						
Balance at December 31, 2024	**$ 780,227**	**2,204,337**	**685,722**	**366,181**	**119,458**	**4,155,925**
Balance at January 1, 2023	**$ 780,227**	**1,108,404**	**651,283**	**268,281**	**661,767**	**3,469,962**
Balance at December 31, 2023	**$ 780,227**	**1,024,239**	**618,371**	**274,815**	**1,155,325**	**3,852,977**

For the years ended December 31, 2024, and 2023, the amount of interest capitalization was $3,538 thousand and $11,026 thousand, respectively.

As of December 31, 2024 and 2023, property, plant and equipment pledged as collateral for bank loans are described in note 8.

(Continued)

Swancor Holding Company Limited and subsidiaries
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(j) Right-of-use assets

The cost and accumulated depreciation of the land and buildings of the Group were as follows:

		Land	Buildings	Transportation Equipment	Total
Costs:					
Balance at January 1, 2024	$	249,884	51,370	4,716	305,970
Additions		49,519	46,968	4,172	100,659
Disposals		-	(43,299)	-	(43,299)
Effects of movements in exchange rates		14,854	1,263	-	16,117
Balance at December 31, 2024	**$**	**314,257**	**56,302**	**8,888**	**379,447**
Balance at January 1, 2023	$	254,278	39,523	3,898	297,699
Additions		-	12,151	818	12,969
Effect of movements in exchange rates		(4,394)	(304)	-	(4,698)
Balance at December 31, 2023	**$**	**249,884**	**51,370**	**4,716**	**305,970**
Depreciation:					
Balance at January 1, 2024	$	31,533	31,284	3,969	66,786
Depreciation		6,513	12,669	1,336	20,518
Disposals		-	(35,984)	-	(35,984)
Effects of movements in exchange rates		1,429	333	-	1,762
Balance at December 31, 2024	**$**	**39,475**	**8,302**	**5,305**	**53,082**
Balance at January 1, 2023	$	25,599	17,638	2,945	46,182
Depreciation		6,410	13,766	1,024	21,200
Effect of movements in exchange rates		(476)	(120)	-	(596)
Balance at December 31, 2023	**$**	**31,533**	**31,284**	**3,969**	**66,786**
Carrying amount:					
Balance at December 31, 2024	**$**	**274,782**	**48,000**	**3,583**	**326,365**
Balance at January 1, 2023	**$**	**228,679**	**21,885**	**953**	**251,517**
Balance at December 31, 2023	**$**	**218,351**	**20,086**	**747**	**239,184**

As of December 31, 2024 and 2023, right-of-use assets pledged as collateral for bank loans are described in note 8.

(k) Intangible Assets

The cost and amortization of the intangible assets of the Group were as follows:

		Technique	Computer software	Total
Costs:				
Balance at January 1, 2024	$	94,192	57,280	151,472
Additions		9,589	3,837	13,426
Reclassification		-	981	981
Effect of movement in exchange rates		2,431	131	2,562
Balance at December 31, 2024	**$**	**106,212**	**62,229**	**168,441**

(Continued)

Swancor Holding Company Limited and subsidiaries
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	Technique	Computer software	Total
Balance at January 1, 2023	$ 93,565	53,167	146,732
Additions	181	3,444	3,625
Reclassification	-	712	712
Effect of movement in exchange rates	446	(43)	403
Balance at December 31, 2023	**$ 94,192**	**57,280**	**151,472**
Amortization:			
Balance at January 1, 2024	$ 57,141	46,801	103,942
Amortization	5,249	6,508	11,757
Effect of movement in exchange rates	2,410	109	2,519
Balance at December 31, 2024	**$ 64,800**	**53,418**	**118,218**
Balance at December 31, 2024	$ 49,436	43,379	92,815
Amortization	8,496	3,458	11,954
Effect of movement in exchange rates	(791)	(36)	(827)
Balance at December 31, 2023	**$ 57,141**	**46,801**	**103,942**
Carrying value:			
Balance at December 31, 2024	**$ 41,412**	**8,811**	**50,223**
Balance at January 1, 2023	**$ 44,129**	**9,788**	**53,917**
Balance at December 31, 2023	**$ 37,051**	**10,479**	**47,530**

(i) Amortization

For the years ended December 31, 2024 and 2023, the amortizations of intangible assets were included in the statement of comprehensive income:

	2024	2023
Operating cost	$ 3	-
Operating expenses	11,754	11,954
	$ 11,757	**10,956**

(ii) Disclosures on pledges

As of December 31, 2024 and 2023, the intangible assets of the Group had not been pledged as collateral.

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(l) Other current assets, other current financial assets and other non-current assets

The other current assets, other current financial assets and others non-current assets of the Group were as follows:

		December 31, 2024	December 31, 2023
Other current assets：			
Temporary payments and payment on behalf of others	$	12,108	25,866
Guarantee deposit paid		1,824	1,675
Other-current		73,993	71,886
	$	**87,925**	**99,427**

The VAT of purchasing inventories is confined as “other - current”.

		December 31, 2024	December 31, 2023
Other current financial assets：			
Time deposits with maturities of more than three months	$	1,429,689	1,522,022
Restricted bank deposits		145,584	51,358
	$	**1,575,273**	**1,573,380**

Restricted bank deposits are confined as letter of guarantee, banker’s acceptance, convertible bond pledged, syndicated loan and loan commitments as collateral, please refer to note 8.

		December 31, 2024	December 31, 2023
Other non-current assets：			
Guarantee deposits paid	$	23,958	12,018
Prepayments for equipment		191,357	180,359
Restricted bank deposits		3,150	3,150
Others-non-current		17,446	5,513
	$	**235,911**	**201,040**

(m) Short-term borrowings

		December 31, 2024	December 31, 2023
Unsecured bank loans	$	546,860	430,805
Secured bank loans		96,311	-
	$	**643,171**	**430,805**
Unused short-term credit lines	**$**	**5,148,574**	**3,468,746**
Range of interest rates		**1.945%~4.95%**	**1.94%~4.34%**

For the collateral for short-term borrowings, please refer to note 8.

(Continued)

(n) Other payables, other current and non-current liabilities

The other payables, other current and non-current liabilities were summarized as follows:

		December 31, 2024	December 31, 2023
Other payables：			
Other payables-salary	$	139,461	133,008
Other payables-employee compensation		7,403	1,242
Other payables-director's remuneration		7,520	25,824
Payables on equipment		43,101	87,729
Other		364,721	294,935
	$	**562,206**	**542,738**

Sales tax payable, payable on professional service fee and shipping expense are confined as “Other”.

		December 31, 2024	December 31, 2023
Other current liabilities:			
Temporary receipts	$	1,530	3,535
Receipts under custody		3,137	3,632
Current deferred revenue		5,248	5,221
Prepaid share capital		167,823	-
Other		6,089	25,683
	$	**183,827**	**38,071**
Non-current liabilities:			
Non-current deferred revenue	$	44,546	47,623
Guarantee deposit received		694	949
Stock appreciation right liabilities		17,781	1,600
	$	**63,021**	**50,172**

Prepaid share capital please refer to note 6(m).

Deferred revenue please refer to note 6(n).

Stock appreciation right liabilities please refer to note 6(r).

(o) Long-term borrowings

The details of long-term borrowings of the Group were as follows:

	December 31, 2024			
	Currency	**Rate**	**Maturity date**	**Amount**
Secured bank loans	NTD	2.225%~4.40%	2025/5/11~2039/7/5	$ 312,383
Unsecured bank loans	NTD	1.85%~2.29%	2025/1/23~2028/6/15	61,788
Other loans (note)	NTD	3.408%~4.951%	2025/2/12~2025/12/28	42,752
				416,923
Less: current portion				(77,702)
				$ **339,221**
Unused long-term credit line				$ **-**

	December 31, 2023			
	Currency	**Rate**	**Maturity date**	**Amount**
Secured bank loans	NTD	1.98%~2.35%	2026/3/25~2032/6/22	$ 291,220
Unsecured bank loans	NTD	2.2%~2.55%	2024/12/21~2028/6/15	146,572
Other loans (note)	NTD	2.43%~3.92%	2025/1/22	39,295
				477,087
Less: current portion				(80,063)
				$ **397,024**
Unused long-term credit line				$ **2,193,980**

Note: Loaned by the company of development zone platform held by government where the subsidiary is located.

The details of the assets of the Group had been pledged, please refer note 8.

(p) Bonds payable

The details of bonds payable of the Group were as follows:

	December 31, 2024	**December 31, 2023**
Third secured convertible bonds- domestic	$ 1,000,000	1,000,000
Forth unsecured convertible bonds- domestic	1,000,000	1,000,000
Unamortized discounted corporate bonds payable	(5,406)	(41,202)
Cumulative converted amount	(1,591,000)	(442,200)
Less: current portion	-	(1,516,598)
Corporate bonds issued balance at December 31, 2024	$ **(403,594)**	**-**

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	December 31, 2024	December 31, 2023
Embedded derivative – call options, including financial assets at fair value through profit or loss	$ 498	-
Embedded derivative – put options, including financial liabilities at fair value through profit or loss	$ -	436
Equity component – conversion options, included in capital surplus– stock options	$ 44,830	167,600

	2024	2023
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	$ (934)	(2,772)
Interest expense	$ 9,036	14,648

(i) Swancor Holding issued its third domestic secured convertible bonds on September 27, 2021, and the significant terms of the bonds were as follows:

1) Offering amount: $1,000,000 thousand

2) Duration: five years (September 27, 2021 to September 27, 2026)

3) Interest rate: 0%

4) Conversion period: From three months after the issuance date to the maturity date. (December 28, 2021 to September 27, 2026)

5) Conversion price: As of the issuance date, the conversion price was NTD 99 per share. However, after Swancor Holding issued the corporate bonds, except for the exchange of various securities with common stock conversion rights or stock options issued by Swancor Holding for common stock, or the issuance of new shares due to employee dividends. When the shares increased, or when cash dividends were distributed, or when re-raising or private placement of various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share, or when decreased in common shares caused by capital reduction not due to the cancellation of treasury shares, the conversion price will be adjusted according to the formula in the terms of conversion. In 2023, the cash dividend was declared, resulting in an adjustment of the conversion price to $92.7 per share from July 4, 2023. In 2024, the cash dividend was declared, resulting in an adjustment of the conversion price to $89.1 per share from July 7, 2024.

6) On the repurchase dates, after the issuance date, the bondholders may request Swancor Holding to repurchase the bonds at their face value, by cash, in five trading days.

7) From three months after the issuance date to 40 days before the maturity date December 28, 2021 to August 18, 2026, if the closing price of Swancor Holding shares on the TWSE is higher than 130% of the conversion price for 30 consecutive trading days or when the outstanding convertible bonds are less than 10% of the initial issued bonds, Swancor Holding may redeem the remaining bonds at their face value by cash in five trading days after the redemption date.

(Continued)

Swancor Holding Company Limited and subsidiaries
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8) Terms of redemption: Swancor Holding needs to redeem the bonds by cash upon maturity, except for the bonds that had been converted into shares.

Swancor Holding separated its equity and liability components as follows:

Items		Amount
Total price of issuance (deducted transaction cost)	$	1,081,297
Fair value of convertible bonds upon issuance		(970,976)
Embedded derivative debt upon issuance		900
Equity components upon issuance	**$**	**111,221**

9) According to the share exchange agreement, the performance obligation of equity warrants, which were approved by the authority, should be transferred to the Company, and the conversion price and quantity are adjusted by using the conversion ratio.

10) For the collateral for bonds payable, please refer to note 8.

(ii) Swancor Holding issued its fourth domestic unsecured convertible bonds on September 28, 2021, and the terms of issuance were as follows:

1) Offering amount: $1,000,000 thousand

2) Duration: five years (September 28, 2021 to September 28, 2026)

3) Interest rate: 0%

4) Conversion period: From three months after issuance date to the maturity date. (December 29, 2021 to September 28, 2026)

5) Conversion price: As of the issuance date, the conversion price was NTD95 per share. However, after Swancor Holding issued the corporate bonds, except for the exchange of various securities with common stock conversion rights or stock options issued by Swancor Holding for common stock, or the issuance of new shares due to employee dividends. When the shares increased, or when cash dividends were distributed, or when re-raising or private placement of various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share, or when decreased in common shares caused by capital reduction not due to the cancellation of treasury shares, the conversion price will be adjusted according to the formula in the terms of conversion. In 2023, the cash dividend was declared, resulting in an adjustment of the conversion price to $89.0 per share from July 4, 2023. In 2024, the cash dividend was declared, resulting in an adjustment of the conversion price to $85.6 per share from July 7, 2024.

6) On the repurchase dates, after the issuance date, the bondholders may request Swancor Holding to repurchase the bonds at their face value, with the interests of 0.75% of the face value for three years, plus yield to put of 0.25%, by cash, in five trading days.

(Continued)

Swancor Holding Company Limited and subsidiaries
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7) From one month after the issuance date to 40 days before the maturity date December 29, 2021 to August 19, 2026,, if the closing price of Swancor Holding shares on the TWSE is higher than 130% of the conversion price for 30 consecutive trading days or when the outstanding convertible bonds are less than 10% of the initial issued bonds, Swancor Holding may redeem the remaining bonds at their face value by cash in five trading days after the redemption date.

8) Terms of redemption: Swancor Holding needs to redeem the bonds by cash upon maturity, except for the bonds that had been converted into shares.

Swancor Holding separated its equity and liability components as follows:

Items	**Amount**
Total price of issuance (deducted transaction cost)	$ 1,032,011
Fair value of convertible bonds upon issuance	(924,881)
Embedded derivative debt upon issuance	(5,000)
Equity components upon issuance	**$ 102,130**

9) According to the share exchange agreement, the performance obligation of equity warrants, which were approved by the authority, should be transferred to the Company, and the conversion price and quantity are adjusted by using the conversion ratio.

(q) Lease liabilities

The amounts of lease liabilities of the Group were as follows:

	December 31, 2024	**December 31, 2023**
Current	**$ 17,318**	**16,532**
Non-current	**$ 44,747**	**15,446**

The amounts recognized in profit or loss were as follows:

	2024	**2023**
Interest on lease liabilities	**$ 614**	**667**
Expenses relating to short-term leases	**$ 26,275**	**6,187**
Income from modification lease	**$ (157)**	**-**

The amounts recognized in the statement of cash flows for the Group was as follows:

	2024	**2023**
Total cash outflow for leases	**$ 41,493**	**22,168**

(i) Real estate leases

As of December 31, 2024 and 2023, the Group leases land and buildings for its office and factory space. The leases of office and factory space typically run for a period of 3 to 5 years. Some leases had not included an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases trivial leases with lease terms of 1 to 3 years, these leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(r) Prepaid share capital and Provisions

	December 31, 2024	**December 31, 2023**
Prepaid share capital	$ 167,823	-
Legal	$ -	7,900

Due to the acquisition of COTECH in 2022, the Group assumed the responsibility for involving illegal fund raising, violating the Securities and Exchange Act by the chairman of COTECH, Qing Long, Wong, his spouse, Yu Wen, Shen, and other managers, Zu Wang Li and Ming Dao, Xiao in 2018. The Taichung District Court ruled on May 27, 2021 that COTECH's illegal gains of $26,430 thousand as a result of the aforesaid four person illegal actions should be returned to the investors or confiscated. After the appeal, the Taiwan High Court ruled on February 22, 2024, that the illegal gains obtained by COTECH due to the illegal actions of the aforementioned four individuals amounted to $19,970 thousand, of which $19,230 thousand had been gradually returned to investors during the trial period. Therefore, the remaining $740 thousand needs to be confiscated. The aforementioned four person and COTECH filed a third appeal against the judgment, and the Supreme Court dismissed the appeal on December 31, 2024, making the criminal case final.

As of December 31, 2024, based on the final Court ruling, COTECH still needs to return $740 thousand to investors or have it confiscated. Additionally, the court determined that the former responsible person and managers of COTECH had forged documents during the debttoequity conversion in February 2015, and some investors did not actually pay the share capital during the capital increase. According to Article 9, Paragraph 1 of the Company Act, the capital increase (including cash capital increase and debttoequity conversion) conducted by COTECH in February 2015 may be revoked or annulled by the competent authority. However, this is still pending the authority's decision. The management of the Group estimates that the most likely outcome is to revert the cash capital increase of $105,532 thousand and the debttoequity conversion of $62,291 thousand to the state before registration. Therefore, the ordinary share capital of $167,823 thousand from the capital increase of COTECH(recorded as non-controlling interests in the consolidated financial statements) was reclassified to the precollected share capital.

(Continued)

(s) Deferred income

	December 31, 2024	December 31, 2023
Deferred income	$ **49,794**	**52,844**
Current	$ 5,248	5,221
Non-current	44,546	47,623
	$ **49,794**	**52,844**

The Group received building construction grants from the government where the subsidiary is located in May 2023. The building has been used since December 2021, and the grant, was recognized as deferred income, has been amortized over the useful life of the building.

(t) Employee benefits

(i) Defined contribution plans

The Group allocate 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The subsidiaries abroad are allocated in accordance with local laws to the Bureau of Labor Insurance. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $43,765 thousand and $40,059 thousand for the years ended December 31, 2024 and 2023, respectively.

(ii) Short-term compensated absence

The short-term compensated absence for the years ended December 31, 2024 and 2023 were included in other payable with balance of $7,978 thousand and $9,980 thousand, respectively.

(u) Income taxes

(i) The components of income tax were as follows:

	2024	2023
Current tax expense		
Current period	$ 186,305	172,919
Adjustment for prior periods	(6,617)	205
Undistributed earnings additional tax	32,550	30,160
	212,238	203,284
Deferred tax expense		
Origination and reversal of temporary differences	(82,070)	(37,175)
Income tax expense	$ **130,168**	**166,109**

(Continued)

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For the years ended December 31, 2024 and 2023, there were no income taxes recognized directly in equity and other comprehensive income.

Reconciliation of income tax and profit before tax 2024 and 2023 were as follows：

	2024	2023
Profit excluding income tax	$ 501,470	1,448,107
Income tax using each company's domestic tax rate	$ 245,860	321,706
Income tax impact of foreign operating entity surplus not expected to be repatriated	19,795	(14,122)
Share of profit of subsidiaries accounted for using equity method–domestic	(7,764)	11,485
Adjustment in tax rate	(136,106)	(207,361)
Recognition of previously unrecognized tax losses	8,044	10,464
Changes in provision in prior periods	(6,617)	205
Recognition of previously under-estimated deferred tax assets or liabilities	(28,576)	(47,062)
Undistributed earnings additional tax	32,550	30,160
Income basic tax	-	60,634
Changes in unrecognized temporary differences	2,982	-
Income tax expense	$ 130,168	166,109

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible Temporary Differences	$ 1,920	1,920
The carry forward unused tax losses	37,925	29,881
	$ 39,845	31,801

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Company	Year of loss	Unused tax loss	Expiry date
COTECH	2022	$ 22,687	2032
COTECH	2023	18,401	2033
COTECH	2024	4,302	2034
Swancor Innovation & Incubation	2021	16,862	2031
Swancor Innovation & Incubation	2022	56,772	2032
Swancor Innovation & Incubation	2023	33,925	2033
Swancor Innovation & Incubation	2024	31,222	2034
		$ 184,171	

2) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with the investments in subsidiaries as at 31 December 2024 and 2023. Also, the management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2024	December 31, 2023
Aggregate amount of temporary differences related to investments in subsidiaries	**$ 2,857,430**	**2,643,114**
Unrecognized deferred tax liabilities	**$ 571,486**	**528,623**

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred Tax Assets:

	Impairment and obsolescence of inventory	Unrealized profit from subsidiaries	Unrealized foreign exchange loss	Impairme nt loss of bad debts	The carry forward of unused tax losses	Other	Total
Balance at 1 January 2024	$ 25,745	11,509	54,411	1,989	47,345	15,793	156,792
Recognized profit or loss	(1,622)	(1,674)	(41,886)	25	51,435	8,100	14,378
Balance at 31 December 2024	**$ 24,123**	**9,835**	**12,525**	**2,014**	**98,780**	**23,893**	**171,170**
Balance at 1 January 2023	$ 17,969	13,150	9,013	5,293	22,788	22,845	91,058
Recognized profit or loss	7,776	(1,641)	45,398	(3,304)	24,557	(7,052)	65,734
Balance at 31 December 2023	**$ 25,745**	**11,509**	**54,411**	**1,989**	**47,345**	**15,793**	**156,792**

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Deferred Tax Liabilities:

	Unrealized foreign exchange gain	Recognized foreign investment income in equity method	Other	Total
Balance at 1 January 2024	$ 49,778	34,609	809	85,196
Recognized profit or loss	(43,035)	(24,569)	(88)	(67,692)
Balance at 31 December 2024	$ 6,743	10,040	721	17,504
Balance at 1 January 2023	$ 9,743	46,220	674	56,637
Recognized profit or loss	40,035	(11,611)	135	28,559
Balance at 31 December 2023	**$ 49,778**	**34,609**	**809**	**85,196**

(iii) Assessment of tax

The Group' s tax returns were assessed by the R.O.C Tax Administration as follows:

	Assessed Year
The Company	2022
S-Wanlai	2022
Swancor Innovation & Incubation	2022
Sunwell Carbon Fiber Composite	2022
COTECH	2022
Swancor Highpolymer	2022

(v) Capital and other equity

As of December 31, 2024 and 2023, the Company's authorized ordinary shares of 200,000 thousand amounted to $2,000,000 thousand for both years, with a par value of $10 per share.

Its outstanding capital consisted of 110,345 thousand common shares and 98,560 thousand common shares for years ended December 31, 2024 and 2023, respectively.

Reconciliation of shares outstanding for the years ended December 31, 2024 and 2023 were as follows:

	Ordinary Shares	
(in thousands of shares)	**2024**	**2023**
Balance on January 1	98,560	98,131
Conversion of convertible corporate bonds	12,826	1
(Recall) Issuance of restricted employee stock	(194)	428
Cancellation of Treasury Shares	(847)	-
Balance on December 31	**110,345**	**98,560**

(i) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Share premium	$ 336,774	405,127
Premium on bonds conversion	2,073,462	956,906
Donation	253	253
Employee share options (overdue and not be executed)	8,151	8,151
Treasury share transactions	107,315	107,315
Expired stock option	41,059	41,059
Difference arising from subsidiary`s share price and its carrying value	1,102,701	1,070,506
Stock transfer (from retained earnings of Swancor)	780,337	780,337
Restricted employee stock	35,107	33,167
Equity component of convertible bonds recognized in stock option	44,830	167,600
	$ 4,529,989	**3,570,421**

1) According to the Enterprise Merges and Acquisition Act, when an enterprise exchanges shares with other company, its undistributed retained earnings would be the capital surplus of the other company (as holding company) after the exchange has been completed.

2) According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increase, by transferring capital surplus in excess of the par value, should not exceed 10% of the total common stock outstanding. However, where a company undergoes an organizational change that results in the capitalization of undistributed earnings after the organizational change, this restriction does not apply.

(ii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

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The Company is currently in a growth stage. The Company's policy on the distribution of dividends to shareholders is subject to the Company's current and future investment environment, capital requirements, domestic and international competition and capital budget, taking into account the interests of shareholders and Company's long-term financial planning. The earning shall be allocated in respect of the accumulated distributable surplus, of which not less than 30% of the distributable surplus for the year ended December 31, 2024. The earning distribution can be settled by cash or by stocks and cash dividends shall not be more than 10% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the regulations of the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The earnings distribution for the years ended December 31, 2023 and 2022 were decided during the Company's general meeting of the shareholders held on May 11, 2024 and May 29, 2023, respectively, as follows:

	2023	2022
Dividends distributed to ordinary shareholders		
Cash	$ 585,033	487,091

Earnings distribution for 2024 were decided by the Board of Directors on March 6, 2025, as follows:

	2024
Dividends distributed to ordinary shareholders：	
Cash	$ 251,614

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(iii) Treasury shares

1) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the March 23, 2020, the Board of Directors of the Company determined to repurchase 2,000 thousand shares during March 24 to May 23, 2020, at the price of $37 to $106 per share, as treasury shares, in order to encourage its employees.

2) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the August 8, 2024, the Board of Directors of the Company determined to repurchase 1,500 thousand shares and apply for cancellation shares during August 9 to October 8, 2024, at the price of $73 to $193 per share, in order to maintain company credit and shareholders' rights and interests.

The movement of treasury stock for the years ended December 31, 2024was as follows:

(in thousands of shares)

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	713	-	-	713
Maintain company credit and shareholders' rights and interests	-	847	(847)	-
	713	**847**	**(847)**	**713**

The movement of treasury stock for the years ended December 31, 2023was as follows:

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	**713**	**-**	**-**	**713**

3) In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(iv) Other equity(net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total
Balance at January 1, 2024	$ (403,859)	(14,196)	(37,446)	(455,501)
Exchange differences on foreign operations	186,591	-	-	186,591
Net change in fair value of investments in financial assets at FVTOCI	-	2,969	-	2,969
Balance at December 31, 2024	**$ (217,268)**	**(11,227)**	**(37,446)**	**(265,941)**

(Continued)

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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total
Balance at January 1, 2023	$ (333,092)	(14,645)	-	(347,737)
Exchange differences on foreign operations	(70,767)	-	-	(70,767)
Net change in fair value of investments in financial assets at FVTOCI	-	449	-	449
Issuance of restricted employee stock	-	-	(37,446)	(37,446)
Balance at December 31, 2023	**$ (403,859)**	**(14,196)**	**(37,446)**	**(455,501)**

(w) Share-based Payments

(i) Equity-settled share-based payment-reserviced stock plan for employees

1) As of December 31, 2024, details of the equity-settled share-based payment agreement of the Company and Swancor Advanced Materials were as follows:

Type of agreement	Grant date	Granted share (in thousand shares)	Contract Period	Conditions
Restricted employee stock option plan (Note)	2022.05.25	673	4 years	Employees' performance has reached performance standard
Restricted employee stock option plan	2023.08.08	428	3 years	Employees' performance has reached performance standard

Note: The restricted employee stock option issued by Swancor Advanced Materials cannot be transferred without meeting the required condition but voting rights and participation of dividend distribution are not limited.

2) The Extraordinary shareholders’ meeting was held on May 25, 2022, Swancor Advanced Materials decided to award 673 thousand new shares of restricted stock at an issuance price of RMB 4.32, and a fair value of RMB 4.52, on grant day to employees who meet the Company’s requirements.

3) A resolution was decided during the general meeting of shareholders of the Company held on May 29, 2023 to award 450 thousand new shares of restricted stock to employees who meet the Company’s requirements. The restricted stock has been registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C.. On August 8, 2023, the board of directors resolved to issue 428 thousand shares, with the fair value on the grant date of $87.5 per share.

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Details of the restricted employee stock option was as follows:

	2024 Number of shares(thousand)	2023 Number of shares(thousand)
Outstanding at January 1	922	673
Vested	-	428
Gain	(92)	(70)
Loss	(307)	(109)
Outstanding at December **31**	**523**	**922**

(ii) Cash-settled share-based payment plan-stock appreciation right plan

In November 2023, the Group executed a compensation plan to grant - thousand units of cash-settled stock appreciation right to qualified employees of the Group without consideration. One unit of stock appreciation right to employees represents a right to the intrinsic value of 0.5 common share of Company. Those employees who fulfill both service period and performance conditions set by the Company are gradually eligible to the vested stock appreciation right at certain percentage and time frame. For those employees who fail to fulfill the vesting conditions, the Group will withdraw their rights without consideration. During the vesting period, the holders of the stock appreciation right are not entitled the same rights as those of common stock holders of Group

1) As of December 31, 2024, details of the cash-settled share-based payment agreement of the Group were as follows:

Type of agreement	Grant date	Granted share (in thousand shares)	Contract Period	Conditions
Stock appreciation right plan	2023.11.01~ 2024.12.31	482	4 year	Employees' performance has reached performance standard

2) The compensation cost for the cash-settled share-based payment was measured at fair value initially by using Binomial Option Pricing Model and will be remeasured at the end of each reporting period until settlement. As of December 31, 2024 and 2023, the assumptions used are as follows:

	2024	2023
	Stock appreciation rights plan	
Strike price (NT$)	$ -	-
Share price of measurement date (NT$)	$ 117	98.30
Expected life (years)	1.58~5.08	2.32~5.82
Expected share price rate(%)	38.07~45.28	39.80~47.60
Risk-free interest rate(%)	1.35~1.43	1.11~1.16
Expected dividend rate(%)	0.74	5.09
Partition	200	200

(Continued)

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Expected volatility is based on the expected volatility of historical volatility. The expected life with the Group's issuance regulations. The Group determined the risk-free rate during the life of the option.

(iii) Employee expense and liability

The Group incurred expense and liabilities of shared-based arrangement in 2024 and 2023 as follows:

	2024	2023
Equity-settled share-based payment	$ (3,225)	3,590
Cash-settled share-based payment	16,181	1,600
Total	**$ 12,956**	**5,190**
Total carrying amount of liability for cash-settled arrangements (other non-current liability on account)	**$ 17,781**	**1,600**

(x) Earnings per Share

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	2024	2023
Profit attributable to ordinary shareholders of the Company	**$ 284,089**	**1,256,499**

2) Weighted average number of ordinary shares

	2024	2023
Weighted average number of ordinary shares	**104,770**	**97,590**

3) Basic earnings per share

	2024	2023
Basic earnings per share	**$ 2.71**	**12.88**

(Continued)

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(ii) Diluted earnings per share

1) Profit attributable to ordinary shareholders of the Group (diluted)

		2024	2023
Profit attributable to ordinary shareholders of the Company(basic)	$	284,089	1,256,499
Effect of dilutive potential ordinary shares			
Interest expense on convertible bonds, net of tax		6,483	9,501
Profit attributable to ordinary shareholders of the Company (diluted)	$	**290,572**	**1,266,000**

2) Weighted average number of ordinary shares (diluted)

	2024	2023
Weighted average number of ordinary shares (basic)	104,770	97,590
Effect of dilutive potential ordinary shares		
Effect of conversion of convertible bonds	10,183	17,084
Effect of restricted employee shares unvested (Note)	86	18
Weighted average number of ordinary shares (diluted)	**115,039**	**114,692**

3) Diluted earnings per share

		2024	2023
Diluted earnings per share	$	**2.53**	**11.04**

Note: For the calculation of the dilutive effect of the stock option, the average market value is assessed based on the quoted market price on the balance sheet day and the day before the Board of Directors' meeting, where the Company's option is outstanding.

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

		2024	2023
Primary geographical markets			
Taiwan	$	1,148,259	1,296,868
China		3,739,588	3,855,949
Other		2,984,312	2,141,996
	$	**7,872,159**	**7,294,813**
Major products/services lines			
Anti-corrosion material	$	3,115,818	3,113,269
Wind blade material		2,657,867	2,303,468
Circular economy material		129,602	56,697
Other		1,968,872	1,821,379
	$	**7,872,159**	**7,294,813**

(Continued)

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(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Contract liability-advance payment	$	**85,429**	**10,681**	**35,333**

For details on accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the for the ended , that were included in the contract liability balance at the beginning of the period were $10,685 thousand and $34,766 thousand respectively.

(z) Employee and directors' remuneration

According to the Company's articles of incorporation, the Company should distribute its remuneration of not less than 0.01% and not more than 3% of annual profits to its employees and directors, respectively, after offsetting accumulated deficits, if any. Employees, including employees of affiliate companies that meet certain conditions, are subject to the abovementioned remuneration, which is to be distributed in stock or cash.

For the years ended December 31, 2024 and 2023, the Company estimated and reversed its employee remuneration amounting to $7,403 thousand and $1,242 thousand, and directors' remuneration amounting to $7,520 thousand and $25,824 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors. Related information would be available at the Market Observation Post System website. The remunerations to employees approved by the Board of Directors were the same as the financial report for the year ended December 31, 2024 and 2023.

(aa) Non-operating income and expenses

(i) Interest income

		2024	2023
Interest income from bank deposits	$	49,005	51,237
Interest income from bonds investment		5,666	3,621
Other interest income		-	135
	$	**54,671**	**54,993**

(Continued)

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(ii) Other income and expense

		2024	2023
Government subsidy	$	21,478	21,746
Other		4,859	13,413
	$	**26,337**	**35,159**

(iii) Other gains and losses

		2024	2023
Gains on disposal of property, plant and equipment	$	85	141
Gains from modification lease		157	-
Impairment loss of property, plant and equipment		(2,895)	-
Foreign exchange gains (losses)		91,354	(15,236)
Gains on disposal of financial assets (liabilities) measured at fair value through profit or loss		29,971	1,215,883
	$	**118,672**	**1,200,788**

For financial assets measured at fair value through profit or loss, please refer to note 6(b) and (g).

(iv) Finance costs

		2024	2023
Interest expense-bank loans	$	29,004	42,532
Interest expense-lease liabilities		614	667
Interest expense-bonds		9,036	14,648
Interest expense-government loans		2,803	2,765
Other finance expense		12	
Less: capitalization of interest		(3,538)	(11,026)
	$	**37,931**	**49,586**

(ab) Financial instrument

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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2) Concentration of credit risk

Major clients of the Group are concentrated in composite material market. To minimize credit risk, the Group periodically evaluates its financial positions and will pledge a collateral if deemed necessary. Besides, the Group monitors and reviews the recoverable amounts of its trade receivables to ensure the uncollectible amounts are recognized appropriately as impairment loss. As of December 31, 2024 and 2023, the percentage of 5% and 9%, respectively, of accounts receivable were derived from major customers. Thus, the credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and other financial assets.

Debt investment at fair value through other comprehensive income include company bonds.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. The Group has no loss allowance provision for the years ended December 31, 2024 and 2023.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Secured loans	$ 408,694	436,982	114,239	199,671	56,520	66,552
Unsecured loans	608,648	615,568	578,845	15,336	21,387	-
Other loans	42,752	42,872	42,872	-	-	-
Accounts payable (including related parties)	3,319,707	3,319,707	3,319,707	-	-	-
Bonds payable	403,594	409,000	-	409,000	-	-
Lease liability	62,065	64,778	18,556	20,620	23,138	2,464
	$ 4,845,460	**4,888,907**	**4,074,219**	**644,627**	**101,045**	**69,016**
December 31, 2023						
Non-derivative financial liabilities						
Secured loans	$ 291,220	313,864	13,078	18,833	236,361	45,592
Unsecured loans	577,377	588,810	513,245	33,660	41,905	-
Other loans	39,295	40,751	-	40,751	-	-
Accounts payable (including related parties)	2,708,500	2,708,500	2,708,500	-	-	-
Bonds payable	1,516,598	1,557,800	1,557,800	-	-	-
Lease liability	31,978	33,531	17,038	4,707	7,766	4,020
	$ 5,164,968	**5,243,256**	**4,809,661**	**97,951**	**286,032**	**49,612**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Exchange rate risk

1) Currency risk

The Group’s significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets						
Monetary items						
USD	$ 44,178	32.785	1,448,376	47,792	30.705	1,467,453
EUR	1,715	34.14	58,550	1,529	33.98	51,955
Financial liabilities						
Monetary items						
USD	11,089	32.785	363,553	4,809	30.71	147,660
EUR	83	34.14	2,834	213	33.98	7,238

2) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, financial assets at fair value through other comprehensive income, financial liabilities at fair value through profit or loss, loans and borrowings and accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 0.5% of the NTD against the USD and EUR as at December 31, 2024 and 2023 would have increased (decreased) the net profit after tax by $4,562 thousand and $5,458 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to$91,354 thousand and $(15,236) thousand, respectively.

4) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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If the interest rate had increased/decreased by 0.5%, with all other variable factor remaining constant, the Group's net income would have increased/decreased by $4,240 thousand and $3,632 thousand for the years ended December 31, 2024 and 2023, respectively. This is mainly due to the Group’s borrowing in variable rates.

5) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 0.5%	$ 249	11	228	13
Decreasing 0.5%	(249)	(11)	(228)	(13)

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

	December 31, 2024				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 53,202	2,224	498	50,480	53,202
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	105,031	-	-	105,031	105,031
Stocks listed on domestic markets	49,800	49,800	-	-	49,800
Original bonds	119,022	119,022	-	-	119,022
Subtotal	273,853	168,822	-	105,031	273,853
Financial assets measured at amortized cost					
Cash and cash equivalents	2,060,652	-	-	-	-
Notes, accounts and other receivables	3,803,513	-	-	-	-
Current and non-current other financial assets	1,578,423	-	-	-	-
Refundable deposit	25,782	-	-	-	-
Subtotal	7,468,370	-	-	-	-
Total	**$ 7,795,425**	**171,046**	**498**	**155,511**	**327,055**

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	December 31, 2024				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 643,171	-	-	-	-
Notes, accounts and other payables (including related parties)	3,319,707	-	-	-	-
Long-term borrowings, current portion	77,702	-	-	-	-
Long-term borrowings (including other loans)	339,221	-	-	-	-
Bonds payable	403,594	-	455,789	-	455,789
Current and non-current lease liabilities	62,065	-	-	-	-
Total	**$ 4,845,460**	**-**	**455,789**	**-**	**455,789**

	December 31, 2023				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 2,634	2,586	48	-	2,634
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	105,031	-	-	105,031	105,031
Stocks listed on domestic markets	45,650	45,650	-	-	45,650
Original bonds	101,682	101,682	-	-	101,682
Subtotal	252,363	147,332	-	105,031	252,363
Financial assets measured at amortized cost					
Cash and cash equivalents	3,065,552	-	-	-	-
Notes, accounts and other receivables	3,091,622	-	-	-	-
Other financial assets-current	1,576,530	-	-	-	-
Refundable deposits	13,693	-	-	-	-
Subtotal	7,747,397	-	-	-	-
Total	**$ 8,002,394**	**149,918**	**48**	**105,031**	**254,997**
Financial liabilities					
Financial liabilities at fair value through profit or loss					
Financial liabilities mandatorily measured at fair value through profit or loss	$ 436	-	436	-	436
Financial liabilities measured at amortized cost					
Short-term borrowings	430,805	-	-	-	-
Notes, accounts and other payables (including related parties)	2,708,500	-	-	-	-
Long-term borrowings, current portion	80,063	-	-	-	-
Long-term borrowings (including other loans)	397,024	-	-	-	-
Bonds payable	1,516,598	-	1,800,809	-	1,800,809
Current and non-current lease liabilities	31,978	-	-	-	-
Subtotal	5,164,968	-	1,800,809	-	1,800,809
Total	**$ 5,165,404**	**-**	**1,801,245**	**-**	**1,801,245**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value.

The Group estimates its financial instruments, that are not measured at fair value, by methods and assumption as follows:

If there is quoted price generated by transactions for financial liabilities at amortized cost, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The fair value of the listed common shares and funds held by the Group are determined by reference to the market quotation.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor.

4) Transfers between Level 1 and Level 2

There were no transfers from one level to another level for the years ended December 31, 2024 and 2023.

5) Reconciliation of Level 3 fair values

	Financial assets at fair value through profit or loss (Unquoted equity instruments)	Financial assets at fair value through other comprehensive income (Unquoted equity instruments)
Opening balance at January 1, 2024	$ -	105,031
Purchased	50,480	-
Balance at December 31, 2024	**$ 50,480**	**105,031**
Balance at January 1, 2023	$ 665,904	25,031
Recognized in profit or loss	733,152	-
Purchased	-	80,000
Disposal	(1,399,056)	-
Balance at December 31, 2023	**$ -**	**105,031**

(Continued)

The Group disposed financial assets mandatorily measured at fair value through profit or loss for the year ended December 31, 2023, please refer to note 6(b).

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "At fair value through profit or loss–unquoted equity instruments" and "fair value through other comprehensive income–unquoted equity instruments."

The Group, which is classified as equity instrument investment without an active market, has a number of significant unobservable inputs. The significant unobservable inputs of equity instrument investments without an active market are independent of each other. Therefore, there were no interrelationships from one input to another.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income (Available-for-sale financial assets) equity investments without an active market-Gigantex Composite Technologies	Public company comparable	• Price-Book Ratio (As of December 31, 2024, and December 31, 2023 were 1.59~2.22 and 1.59~2.06, respectively) • Price-to-Sales Ratio (As of December 31, 2024, and December 31, 2023 were 0.85~2.23 and , 0.59~1.48, respectively) • Lack of marketability discount (As of December 31, 2024, and December 31, 2023 were both 35%)	• the higher the Price-Book Ratio, the higher the fair value • the higher the Price-to-Sales Ratio, the higher the fair value • the higher the lack of marketability discount, the lower the fair value
Financial assets at fair value through other comprehensive income (Available-for-sale financial assets) equity investments without an active market-Yang Bao Enterprise Co., Ltd.	Public company comparable	• Price-Book Ratio (As of December 31, 2024 and December 31, 2023 were both 3.31 and 3.19) • Price-to-Sales Ratio (As of December 31, 2024 and December 31, 2023 were 3.91 and 4.14 respectively) • Lack of marketability discount (As of December 31, 2024 and December 31, 2023 were both 35%)	• the higher the Price-Book Ratio, the higher the fair value • the higher the Price-to-Sales Ratio, the higher the fair value • the higher the lack of marketability discount, the lower the fair value

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement of financial instruments is reasonable. However, the use of different evaluation models or evaluation parameters may result in different evaluation results.

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input value	Change up or down	Profit or loss		Other comprehensive income	
			Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
December 31, 2024						
Financial assets at fair value through profit or lost						
Equity investments without an active market	50,480	0.5 %	252	(252)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)
December 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)

The favorable and unfavorable effects represent the changes in fair value, and the fair value is based on a variety of unobservable inputs calculated using the valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(ac) Financial risk management

(i) Overview

The Group is exposed to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Group’ s finance management department provides business services for the overall internal department. It sets the objectives, policies, and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulates the use of derivative financial instruments in accordance with the Group’ s policy on risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investments of excess liquidity. The internal auditors of the Group continue to review the amount of the risk exposure in accordance with the Group’s policies and the risk management's policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, that arise principally from the Group’s accounts receivable from customers and investments securities.

1) Account and other receivables

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. When it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Group continuously monitors its exposure to credit risk and counterparty credit ratings, and sets sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the Risk Management Committee.

The Group did not have any collateral or other credit enhancements in order to avoid credit risk of the financial assets.

2) Investment

The exposure to credit risk for bank deposits and other financial instruments is measured and monitored by the Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any of the counterparties above to fail in meeting their obligations; hence, there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises its banking facilities to ensure they are following the terms on loan agreements.

(Continued)

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2024, and 2023, the Group's unused short term and long-term bank facilities amounted to $4,548,574 thousand and $5,662,726 thousand, respectively.

(v) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group’s entities, primarily the New Taiwan Dollars (NTD), US Dollars (USD) and Chinese Yuan (CNY). The currencies used in these transactions are the NTD, USD, and CNY.

2) Interest rate risk

The Group adopts a policy of ensuring that changes in interest rates on borrowings is on a variable rate basis.

(ad) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, and issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the similar industry use the debt-to-equity ratio to manage their capital. This ratio is calculated using the total net debt, divided by the total capital. The net debts from the balance sheet is derived from the total liabilities, less, cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity, plus, net debt.

As of December 31, 2024, the Group’s capital management strategy is consistent with that of the prior year, and the gearing ratio is maintained within 2% to 50% to ensure financing at reasonable cost. The Group’s debt-to-equity ratio at the end of the reporting period as of December 31, 2024, and 2023 were as follows:

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	December 31, 2024	December 31, 2023
Total liabilities	$ 5,298,705	5,607,670
Less: cash and cash equivalents	2,060,652	3,065,552
Net debt	3,238,053	2,542,118
Total equity	9,475,665	8,665,401
Adjusted equity	**$ 12,713,718**	**11,207,519**
Debt-to-equity ratio	**25%**	**23%**

(ae) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities, which did not affect its current cash flow for the years ended December 31, 2024 and 2023, were as follows:

(i) For acquisition of right-of-use assets through lease, please refer to note 6(j).

(ii) For treasury shares, please refer to notes 6(v).

(iii) For shared-based payments, please refer to notes 6(w).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes				
	January 1, 2024	**Cash flows**	**Increase (Decrease)**	**Foreign exchange movement**	**Amortization**	**Transferred shares and Capital surplus**	**December 31, 2024**
Short-term borrowings	$ 430,805	212,366	-	-	-	-	643,171
Long-term borrowings (including current portion)	437,792	(64,877)	250	-	1,006	-	374,171
Other loans (including deferred income)	92,139	-	(250)	4,587	(3,930)	-	92,546
Lease liabilities (including current portion)	31,978	(14,604)	43,734	957	-	-	62,065
Bonds payable	1,516,598	-	-	-	9,036	(1,122,040)	403,594
Total liabilities from financing activities	**$ 2,509,312**	**132,885**	**43,734**	**5,544**	**6,112**	**(1,122,040)**	**1,575,547**

			Non-cash changes				
	January 1, 2023	**Cash flows**	**Increase (Decrease)**	**Foreign exchange movement**	**Amortization**	**Transferred shares and Capital surplus**	**December 31, 2023**
Short-term borrowings	$ 1,294,674	(863,869)	-	-	-	-	430,805
Long-term borrowings (including current portion)	534,549	(97,679)	-	(521)	1,443	-	437,792
Other loans (including deferred income)	88,775	8,670	-	(1,361)	(3,945)	-	92,139
Lease liabilities (including current portion)	34,751	(15,314)	12,732	(191)	-	-	31,978
Bonds payable	1,502,045	-	-	-	14,648	(95)	1,516,598
Total liabilities from financing activities	**$ 3,454,794**	**(968,192)**	**12,732**	**(2,073)**	**12,146**	**(95)**	**2,509,312**

(7) Related-party transactions:

(a) Names and relationship with related parties

Name of related party	Relationship with the Group
Anhui Meijia New Materials Co., Ltd. (Meijia New Materials)	Associate of the Group
Wan-Cong, Wong	Director of the subsidiary of the Group
Qian-Xiu, Wong	Relative within second degree of relationship of director of the subsidiary of the Group
Yun-Zhe, Wong	Relative within second degree of relationship of director of the subsidiary of the Group
Qing-Long, Wong	Relative within first degree of relationship of director of the subsidiary of the Group

(b) Significant transactions with related parties

(i) Purchase

The Group purchase from related parties were as follows:

	2024	2023
Associates-Meijia New Materials	$ **230,043**	**262,429**

There are no significant differences with the purchase price from the above-mentioned companies to general companies. The payment term is 30 days to 120 days, which is not significant different from general companies.

(ii) Borrowings from Related Parties

The Group' s borrowings from related parties (accounting other payables to related parties) were as follows:

Relationship	December 31, 2024	December 31, 2023
Director of the subsidiary— Wan-Cong, Wong	$ 1,421	1,421
Relative within second degree of relationship of director of the subsidiary— Qian-Xiu, Wong	2,459	2,459
Relative within second degree of relationship of director of the subsidiary— Yun-Zhe, Wong	717	717
Relative within first degree of relationship of director of the subsidiary— Qian-Long, Wong	403	403
	$ **5,000**	**5,000**

The Group's borrowings from related parties were interest-free and unsecured.

(iii) Payable from Related Parties

The payable from associate were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts payable	Associate - Meijia New Materials	$ 122,302	86,394

(c) Key management personnel compensation

Key management personnel compensation comprised the following details:

	2024	2023
Short-term employee benefits	$ 39,303	29,881
Post-employment benefits	1,093	1,026
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	$ 40,396	30,907

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Land	Bank loans	$ 540,921	540,921
Buildings	Bank loans	264,370	621,095
Right-of-use asset	Bank loans	158,938	153,968
Restricted bank deposit (other financial assets-current and other non-current assets)	Bank’s acceptance bill, Bank loans, stand by L/C and bank guarantee	120,363	53,508
Restricted bank deposit (other non-current assets)	Performance Guarantee	1,000	1,000
		$ 1,085,592	1,370,492

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(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	$ 205,365	257,498

(b) Outstanding standby letter of credit

	December 31, 2024	December 31, 2023
Outstanding standby letter of credit	$ 107,957	115,997

(c) Contingencies: None.

(d) Other: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) The followings are the summary statement of employee benefits, depreciation, depletion, and amortization expenses by function in the current period:

By function / By item	For the years ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	172,643	348,406	521,049	154,018	324,642	478,660
Labor and health insurance	17,704	29,551	47,255	15,481	28,023	43,504
Pension	15,108	28,657	43,765	13,371	26,688	40,059
Others	8,329	7,226	15,555	7,541	6,152	13,693
Depreciation	180,517	119,681	300,198	169,194	85,413	254,607
Amortization	3	11,754	11,757	-	11,954	11,954

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(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions, required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", of the Group:

(i) Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Swancor Holding	Swancor	Other receivables	Yes	USD2,000 137,723	65,570	65,570	5.00%	2	-	Operating purpose	-	-	-	3,323,773 (Note 1)	3,323,773 (Note 1)
0	Swancor Holding	S-Wanlai	Other receivables	Yes	150,000	150,000	150,000	2.05%	2	-	Operating purpose	-	-	-	3,323,773 (Note 1)	3,323,773 (Note 1)
1	Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite	Other receivables	Yes	82,094	82,094	-	0%	2	-	Operating purpose	-	-	-	114,938 (Note 2)	306,502 (Note 2)
2	Swancor Highpolymer	Swancor Ind (M)	Other receivables	Yes	USD2,500 82,088	USD2,500 81,963	USD2,500 81,963	3.95%~4.83%	2	-	Operating purpose	-	-	-	221,952 (Note 3)	591,873 (Note 3)
3	Swancor Tianjin	Shandong Longneng	Other receivables	Yes	RMB5,000 23,011	-	-	0%	2	-	Operating purpose	-	-	-	157,367 (Note 4)	419,646 (Note 4)

Note1：The total amount available for lending purpose shall not exceed 40% of the Company's net worth. The limited amount of loan to other party shall not exceed the net value of 15%. The total amount for lending to subsidiaries of the Company shall not exceed 40% of the Company's net worth.

Note2：The total amount available for lending purpose in Sunwell Carbon Fiber Composite shall not exceed 40% of its net worth. The total amount for lending to other party shall not exceed 15% of its net worth.

Note3：The total amount available for lending purpose in Swancor Highpolymer shall not exceed 40% of its net worth. The total amount for lending to other party shall not exceed 15% of its net worth.

Note4：The total amount available for lending purpose in Swancor(Tianjin) shall not exceed 40% of its net worth. The total amount for lending to other party shall not exceed 15% of its net worth.

Note5：For the purpose of lending, the numbering is classified as follows:

1) Business relationship.

2) Short-term financing.

Note6：The transactions have been eliminated upon consolidation.

(Continued)

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(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	Swancor Holding	S-Wanlai	2	4,154,716	260,000	170,000	84,000	-	2.05 %	8,309,432	Y	N	N
0	Swancor Holding	Sunwell (Jiangsu) Carbon Fiber Composites	2	4,154,716	341,042	341,042	216,182	-	4.10 %	8,309,432	Y	N	Y
0	Swancor Holding	Yang-Bao	1	830,943	80,000	-	-	-	-	8,309,432	N	N	N
1	Swancor Highpolymer	Swancor Ind(M)	1	739,841	197,010	131,140	-	-	8.86 %	1,479,682	N	N	N
1	Swancor Highpolymer	Swancor Advanced Materials	1	739,841	149,184	-	-	-	-	1,479,682	N	Y	Y
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,730,881	938,839	638,512	-	-	11.07 %	2,884,802	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,730,881	1,353,144	886,552	127,781	-	15.02 %	2,884,802	N	N	Y
2	Swancor Advanced Materials	Swancor Ind(M)	2	1,730,881	80,947	-	-	-	-	2,884,802	N	N	N

Note1：The total amount of endorsements and/or guarantees to other party shall not exceed 100% of the Company's net worth.

Note2：The amount of endorsements and/or guarantees to other party shall not exceed 10% of the Company's net worth. The amount of endorsements and/or guarantees to the subsidiaries shall not exceed 50% of the Company's net worth.

Note3：The total amount of endorsements and/or guarantees to other party in Swancor Highpolymer shall not exceed 100% of its net worth. The amount of endorsements and/or guarantees to other party shall not exceed 50% of its net worth.

Note4：The total amount of endorsements and/or guarantees to other party in Swancor Advanced Materials shall not exceed 50% of its net worth. The amount of endorsements and/or guarantees to other party shall not exceed 30% of its net worth.

Note5：Relationship between guarantee providers and guarantee parties were as follows:

1) Entities with business relationship with the Company.

2) Entities which the Company, directly or indirectly, held more than 50% voting shares.

3) Entities which, directly or indirectly, held more than 50% voting shares of the Company.

4) Entities which the Company, directly or indirectly, held more than 90% voting shares.

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(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures were not included):

(In Thousands of New Taiwan Dollars)

Name of holder	Name of security	Relationship with company	Account title	Ending balance				Highest Percentage	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	of ownership in the min-period	
Swancor Holding	Stock – China Communications Media Group Co., Ltd.		Financial assets at fair value through profit or loss-current	10	-	0.04 %	-	- %	
Swancor Holding	Stock- Tsang Yow Industrial Co., Ltd.		Financial assets at fair value through profit or loss-current	26	722	0.03 %	722	- %	
Swancor Holding	Stock – Aero Win Technology Corporation		Financial assets at fair value through profit or loss-current	12	479	0.02 %	479	- %	
Swancor Holding	Stock – Koan Hau Technology Co., Ltd.		Financial assets at fair value through profit or loss-current	68	1,023	0.09 %	1,023	0.09 %	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through profit or loss-non current	631	50,480	0.86 %	50,480	0.86 %	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through other comprehensive income - non-current	2,000	80,000	2.63 %	80,000	2.63 %	
Swancor Holding	Stock – Gigantex Composite Technologies Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	20	25,031	14.92 %	25,031	14.92 %	
Swancor Holding	Special Stock – WT Microelectronics Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	1,000	49,800	0.08 %	49,800	0.08 %	
Swancor Holding	Stock – Promix Composites, Inc.		Financial assets at fair value through other comprehensive income-non-current	1,500	-	10.00 %	-	10.00 %	
Swancor Holding	Stock- Ideal Star International Corp.		Financial assets at fair value through other comprehensive income-non-current	500,000	-	10.00 %	-	10.00 %	
Swancor Holding	Stock- Dell International LLC		Financial assets at fair value through other comprehensive income-non-current	-	4,421	- %	4,421	- %	
Swancor Holding	Bonds-Citigroup Inc.		Financial assets at fair value through other comprehensive income-non-current	-	8,972	- %	8,972	- %	
Swancor Holding	Bonds-AT & T Corporation		Financial assets at fair value through other comprehensive income-non-current	-	6,912	- %	6,912	- %	
Swancor Holding	Stock- British Petroleum		Financial assets at fair value through other comprehensive income-non-current	-	5,864	- %	5,864	- %	
Swancor Holding	Bonds-Hewlett Packard Company		Financial assets at fair value through other comprehensive income-non-current	-	5,434	- %	5,434	- %	
Swancor Holding	Bonds-Saudi Aramco		Financial assets at fair value through other comprehensive income-non-current	-	16,417	- %	16,417	- %	
Swancor Holding	Bonds-Standard & Poor's		Financial assets at fair value through other comprehensive income-non-current	-	9,612	- %	9,612	- %	
Swancor Holding	Bonds-POSCO		Financial assets at fair value through other comprehensive income-non-current	-	15,011	- %	15,011	- %	
Swancor Holding	Bonds-Macquarie Group Limited		Financial assets at fair value through other comprehensive income-non-current	-	6,410	- %	6,410	- %	
Swancor Holding	Bonds-GLE		Financial assets at fair value through other comprehensive income-non-current	-	13,052	- %	13,052	- %	
Swancor Holding	Bonds-Goldman		Financial assets at fair value through other comprehensive income-non-current	-	6,668	- %	6,668	- %	
Swancor Holding	Bonds-Volkswagen		Financial assets at fair value through other comprehensive income-non-current	-	6,693	- %	6,693	- %	
Swancor Holding	Bonds-Capital One Financial Corp.		Financial assets at fair value through other comprehensive income-non-current	-	6,780	- %	6,780	- %	
Swancor Holding	Bonds-Hyundai Group		Financial assets at fair value through other comprehensive income-non-current	-	6,776	- %	6,776	- %	

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(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None.

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None.

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Swancor (Jiangsu)	Swancor Advanced Materials	Direct of indirect subsidiaries of the Company	(Sales)	(1,310,092)	(16.64) %	90 day	Note 1	No difference	558,354	14.69 %	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	1,310,092	0.52 %	90 day	Note 1	No difference	(558,354)	(21.28) %	
Swancor (Jiangsu)	Swancor (Tianjin)	Direct of indirect subsidiaries of the Company	(Sales)	(263,097)	(3.34) %	90 day	Note 1	No difference	80,754	2.12 %	
Swancor (Tianjin)	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	263,097	0.10 %	90 day	Note 1	No difference	(80,754)	(3.08) %	
Meisia New Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	(Sales)	(190,091)	(2.43) %	30~120 day	Note 1	No difference	100,697	2.65 %	
Swancor (Jiangsu)	Meisia New Materials	Associate of the subsidiary	Purchases	190,091	0.08 %	30~120 day	Note 1	No difference	(100,697)	(3.84) %	

Note1：The sales prices and payment terms to related parties were not significantly different from those of the third parties, except for some special items.

Note2：The transactions have been eliminated upon consolidation.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Swancor(Jiangsu)	Swancor Advanced Materials	Direct of indirect subsidiaries of the Company	558,354	2.32	-	-	229,854	-
Meijia New Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	100,697	0.07	-	-	-	-

(ix) Information regarding trading in derivative financial instruments: None.

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the year ended December 31, 2024:

(In Thousands of New Taiwan Dollars)

No. (Note1)	Name of company	Name of counterparty	Nature of relationship (Note2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Swancor (Tianjin)	Swancor(Jiangsu)	3	Purchases	263,097	The sales prices and payment terms were same as those of sales to third parties.	1.84 %
2	Swancor(Jiangsu)	Swancor (Tianjin)	3	Sales	263,097	The sales prices and payment terms were same as those of sales to third parties.	1.37 %
3	Swancor Advanced Materials	Swancor(Jiangsu)	3	Purchases	1,310,092	The sales prices and payment terms were same as those of sales to third parties.	11.64 %
4	Swancor (Jiangsu)	Swancor Advanced Materials	3	Sales	1,310,092	The sales prices and payment terms were same as those of sales to third parties.	8.67 %

Note1：The number filled in as follows:

(Continued)

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1) 0 represents the company.
2) Subsidiaries are sorted in a numerical order starting from 1.

Note2：Transactions labeled as follows:

1) represents the transactions form the parent company to subsidiaries.
2) represents the transactions from subsidiaries to the company.
3) represents the transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees (excluding information on investees in Mainland China).

(In Thousands of NTD/USD/RMB/HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Swancor Holding	Sunwell Carbon Fiber Composite	R.O.C.	Producing and selling carbon composites	535,184	458,000	53,000	100.00 %	766,226	81,049	70,042	
Swancor Holding	Swancor Innovation & Incubation	R.O.C.	Management consulting	210,000	210,000	21,000	100.00 %	67,768	(34,740)	(34,740)	
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 233,692	USD 7,100 233,692	7,100	100.00 %	USD110,422 3,620,197	USD7,672 246,454	USD7,672 246,454	
Swancor Holding	S-Wanlai	R.O.C.	Chemical products manufacturing and processing	350,000	350,000	35,000	100.00 %	296,101	(40,842)	(40,842)	
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100.00 %	4,446,268	USD11,920 382,933	USD11,920 382,933	
Swancor Advanced Materials	Swancor (HK)	Hong Kong	Investing and holding	USD 21,880 662,997	USD 21,880 662,997	35,650	100.00 %	RMB 384,755 1,754,799	RMB 75,573 340,903	RMB 75,573 340,903	
Swancor (HK)	Swancor Ind. (M)	Malaysia	Chemical products manufacturing and processing	USD 7,820 241,521	USD 7,820 241,521	32,657	100.00 %	HKD65,035 274,666	HKD 4,826 19,869	HKD 4,826 19,869	
Swancor (HK)	Swancor Highpolymer	R.O.C.	Chemical products manufacturing and processing	USD 14,000 415,800	USD 14,000 415,800	41,580	100.00 %	HKD350,345 1,479,637	HKD 78,039 321,306	HKD 78,039 321,306	
Sunwell Carbon Fiber Composite	COTECH	R.O.C.	Producing and selling carbon composites	130,000	130,000	130,000	80.82 %	130,000	(4,302)	-	
S-Wanlai	Swancor Netherlands	Netherlands	Technical services	EUR1,000 35,620	-	1,000	100.00 %	31,130	(3,064)	(3,064)	

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, their main businesses and products, and other information:

(In Thousands of NTD/USD/RMB/HKD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Higest percentage of ownership in the mid-period	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Swancor Advanced Materials	Production and selling of Vinyl Ester Resins and light composite material resins	USD 20,677 RMB 348,576 1,834,912	Indirectly owned by the company	USD 2,500 84,071	-	-	USD 2,500 84,071	USD 13,609 401,869	79.21 %	79.23 %	USD 10,779 318,320	USD 140,734 4,584,048	RMB 137,866 615,142
Wuxi Rongmai Engineering Plastic Co., Ltd.	Producing Engineering plastic used in electronic, electrical engineering and automotive industry	USD 2,100 64,806	Indirectly owned by the company(Note1)	USD 250 8,098	-	-	USD 250 8,098	-	10.00 %	10.00 %	-	-	-
Swancor (Tianjin)	Energy conservation wind power laminar resins' manufacturing and selling	USD 7,000 RMB 5,500 254,376	Indirectly owned by the company	USD 7,000 230,401	-	-	USD 7,000 230,401	RMB (102) (460)	79.21 %	79.23 %	RMB (81) (364)	RMB 182,206 831,008	-
Swancor (Jiangsu).	Energy conservation wind power laminar resins' manufacturing and selling	RMB 122,500 613,850	Indirectly owned by the company	RMB 76,875 380,892	-	-	RMB 76,875 380,892	RMB 10,001 45,115	79.21 %	79.23 %	RMB 7,922 35,736	RMB 155,034 707,083	-
Meijia New Materials	Producing and selling of powder coating and epoxy resin	RMB 210,000 913,290	Indirectly owned by the company	-	-	-	-	RMB (52,158) (235,279)	18.86 %	18.86 %	RMB (9,837) (44,374)	RMB 149,792 683,175	-
Sunwell (Jiangsu) Carbon Fiber Composites	Producing and selling carbon composites	USD 19,000 611,313	Indirectly owned by the company	USD 15,940 512,237	-	-	USD 15,940 512,237	RMB 13,726 61,917	83.89 %	83.89 %	RMB 9,952 44,891	482,596	-

(Continued)

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Higest percentage of ownership in the mid-period	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Shandong Longneng	Wind power and turbines are recycled, and then processed, sold and traded.	RMB 11,890 52,747	Indirectly owned by the company	-	-	-	-	RMB (3,321) (14,981)	43.57 %	43.58 %	RMB (1,447) (6,528)	RMB 4,750 21,662	-
Swancor Recycling	Producing and selling recycled carbon fiber and glass fiber	USD 5,000 157,150	Directly owned by the company	USD 5,000 157,150	-	-	USD5,000 157,150	RMB (2,084) (9,401)	100.00%	100.00%	RMB (2,084) (9,401)	152,125	-

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Swancor Holding	USD7,282	USD 94,531 2,858,077	5,685,399

Note1：Invested by Ideal Star

Note2：The amount was recognized based on the audited consolidated financial statements.

Note3：The amount was translated at the rates of exchange at each authorization by Investment Commission.

Note4：The indirectly investment in Mainland China amounting to USD 91,263 thousand was incurred from the merger of the Company and Swancor Industrial, wherein the Company became the surviving company and Swancor Industrial became the dissolved entity thereafter.

Note5：The investment limit for Mainland China is 60% of the consolidated equity of the Company.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, were disclosed in “ the Information on significant transactions”.

(d) Major shareholders

Shareholding Shareholder's name	Shares	Percentage
Tsai's Holding Co., Ltd.	19,380,658	17.56 %

(14) Segment information:

(a) General information

The Group's reportable segment is the Composite Material segment. The Composite Material segment's main operating activities are the manufacturing and selling of Precision chemical materials, energy conservation LED resins and energy conservation wind power laminar resins.

(b) Information about reportable segments and their measurement and reconciliations:

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The profits and losses, assets, and assets' information of the Group's reportable segment are in consistent with the Group's consolidated financial statements. Please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

The operating segment accounting policies are similar to those described in note 4.

(c) Product and Service information

Revenue from the external customers of the Group was as follows:

Product and services		**2024**	**2023**
Anti-corrosion material	$	3,115,818	3,113,269
Green energy material		2,657,867	2,303,468
Recycling material		129,602	56,697
Others		1,968,872	1,821,379
Total	**$**	**7,872,159**	**7,294,813**

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(d) Geographic information

In presenting the information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical information	2024	2023
Revenue from external customers:		
Taiwan	$ 1,148,259	1,296,868
China	3,739,588	3,855,949
Other countries	2,984,312	2,141,996
	$ 7,872,159	**7,294,813**

	December 31, 2024	December 31, 2023
Non-current assets：		
Taiwan	$ 2,600,998	2,596,837
China	1,910,625	1,553,571
Other countries	229,693	175,155
	$ 4,741,316	**4,325,563**

Non-current assets include property, plant and equipment, right-of-use asset, intangible assets, and other assets, excluding financial instruments, refundable deposits, other financial assets and deferred tax assets.

(e) Major Customers

Sales to individual customers representing greater than 10% of the revenue were as follows:

	2024	2023
customer (B)	**$ 658,257**	**790,383**