

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

Swancor Holding Company Limited and Subsidiaries

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

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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.

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Independent Auditors' Review Report

To the Board of Directors of Swancor Holding Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of Swancor Holding Company Limited (“the Company”) and its subsidiaries (“the Group”) as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income, for the three months and six months ended June 30, 2024 and 2023, changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,101,112 thousand and \$819,727 thousand, constituting 7.51% and 6.07% of the consolidated total assets; and the total liabilities amounting to \$174,669 thousand and \$69,943 thousand, constituting 3.20% and 1.28% of the consolidated total liabilities of June 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$(13,766) thousand, \$(10,252) thousand, \$(29,038) thousand and \$(12,518) thousand, constituting (9.30)%, (1.80)%, (6.80)% and (2.06)% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2024 and 2023, respectively. Except, for the above statement, as stated in Note 6(f), the other equity accounted investments of the Swancor Holding Company Limited and its subsidiaries in its investee companies of \$915,844 thousand and \$880,467 thousand as of June 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$6,491 thousand, \$(1,122) thousand, \$696 thousand and \$(19,314) thousand for the three months and six months ended June 30, 2024 and 2023 respectively, were recognized solely on the financial statements which prepared by these investee companies, but were unreviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Swancor Holding Company Limited and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
August 8, 2024

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

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023				June 30, 2024		December 31, 2023		June 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 1,981,980	14	3,065,552	22	2,472,667	19	2100	Short-term borrowings (note 6(m) and 8)	\$ 428,358	3	430,805	3	638,634	5
1110	Current financial assets at fair value through profit or loss (note 6(b) and (f))	246,098	2	2,634	-	2,618	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (p))	-	-	436	-	2,285	-
1150	Notes receivable, net (note 6(d))	1,303,102	9	978,783	7	1,794,024	13	2130	Current contract liabilities (note 6(y))	8,016	-	10,681	-	25,510	-
1170	Accounts receivable, net (note 6(d))	2,252,195	15	2,102,766	15	1,899,967	14	2150	Notes payable	537,279	4	163,025	1	194,272	2
1200	Other receivables	5,400	-	10,073	-	3,732	-	2170	Accounts payable	1,877,070	13	1,911,343	13	1,307,203	10
1220	Current tax assets	8,297	-	37,871	-	28,072	-	2180	Accounts payable to related parties (note 7)	45,138	-	86,394	1	71,261	1
130X	Inventories (note 6(e))	776,277	5	722,625	5	750,232	6	2200	Other payables (note 6(n))	1,062,101	7	542,738	4	863,199	6
1410	Prepayments	45,484	-	48,385	-	124,682	1	2220	Other payables to related parties (note 7)	5,000	-	5,000	-	5,000	-
1479	Other current assets (note 6(l))	97,768	1	99,427	1	63,748	-	2230	Current tax liabilities	86,038	1	250,246	2	162,268	1
1476	Other current financial assets (note 6(l) and 8)	1,911,358	13	1,573,380	11	963,385	7	2399	Other current liabilities (note 6(n) and (s))	35,279	-	38,071	-	28,252	-
Total current assets		<u>8,627,959</u>	<u>59</u>	<u>8,641,496</u>	<u>61</u>	<u>8,103,127</u>	<u>60</u>	2321	Bonds payable, current portion (note 6(p) and 8)	809,838	5	1,516,598	10	-	-
Non-current assets:								2322	Long-term borrowings, current portion (note 6(o) and 8)	100,888	1	80,063	1	58,650	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	50,480	-	-	-	212,904	2	2280	Current lease liabilities (note 6(q))	9,066	-	16,532	-	18,021	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	269,262	2	252,363	2	155,483	1	Total current liabilities		<u>5,004,071</u>	<u>34</u>	<u>5,051,932</u>	<u>35</u>	<u>3,374,555</u>	<u>25</u>
1550	Investments accounted for using equity method (note 6(f))	915,844	6	881,689	6	880,467	7	Non-Current liabilities:							
1600	Property, plant and equipment (note 6(i) and 8)	4,102,163	28	3,852,977	27	3,572,453	26	2530	Bonds payable (note 6(p) and 8)	-	-	-	-	1,509,252	11
1755	Right-of-use assets (note 6(j) and 8)	238,737	2	239,184	2	242,556	2	2540	Long-term borrowings (note 6(o) and 8)	337,556	2	397,024	3	459,135	4
1780	Intangible assets (note 6(k))	55,481	-	47,530	-	51,059	-	2550	Non-current provisions (note 6(r))	7,900	-	7,900	-	7,900	-
1840	Deferred tax assets	154,753	1	156,792	1	103,874	1	2570	Deferred income tax liabilities	32,300	-	85,196	1	32,402	-
1990	Other non-current assets (note 6(l) and 8)	256,808	2	201,040	1	189,761	1	2670	Other non-current liabilities, others (note 6(n), (s) and (w))	60,832	1	50,172	-	50,801	-
Total non-current assets		<u>6,043,528</u>	<u>41</u>	<u>5,631,575</u>	<u>39</u>	<u>5,408,557</u>	<u>40</u>	2580	Non-current lease liabilities (note 6(q))	13,678	-	15,446	-	15,249	-
								Total non-current liabilities		<u>452,266</u>	<u>3</u>	<u>555,738</u>	<u>4</u>	<u>2,074,739</u>	<u>15</u>
								Total liabilities		<u>5,456,337</u>	<u>37</u>	<u>5,607,670</u>	<u>39</u>	<u>5,449,294</u>	<u>40</u>
								Equity attributable to owners of parent (note 6(v)):							
								3100	Ordinary shares	1,065,164	7	985,601	7	981,322	7
								3200	Capital surplus (note 6(w))	4,205,484	29	3,570,421	25	3,535,615	26
								3300	Retained earnings	2,876,348	20	3,307,547	23	2,762,725	21
								3400	Other equity	(272,835)	(2)	(455,501)	(3)	(435,644)	(3)
								3500	Treasury shares	(47,301)	-	(47,301)	-	(47,301)	-
								Total equity attributable to owners of parent:		<u>7,826,860</u>	<u>54</u>	<u>7,360,767</u>	<u>52</u>	<u>6,796,717</u>	<u>51</u>
								36xx	Non-controlling interests (note 6(h))	1,388,290	9	1,304,634	9	1,265,673	9
								Total equity		<u>9,215,150</u>	<u>63</u>	<u>8,665,401</u>	<u>61</u>	<u>8,062,390</u>	<u>60</u>
Total assets		<u>\$ 14,671,487</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>13,511,684</u>	<u>100</u>	Total liabilities and equity		<u>\$ 14,671,487</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>13,511,684</u>	<u>100</u>

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 three months and six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended June 30,				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (note 6(y))	\$ 1,927,104	100	1,718,356	100	3,662,400	100	3,416,842	100
5000	Operating costs (note 6(e) , (t) and 7)	1,517,973	79	1,409,638	82	2,887,283	79	2,788,125	82
	Gross profit from operations	409,131	21	308,718	18	775,117	21	628,717	18
	Operating expenses (note 6(t) and (z)):								
6100	Selling expenses	145,334	7	98,875	6	288,181	8	214,262	6
6200	Administrative expenses	110,364	6	93,748	5	215,242	6	186,909	5
6300	Research and development expenses	72,053	4	64,480	4	128,685	3	116,493	3
6450	Impairment loss determined in accordance with IFRS 9 (note 6(d))	996	-	18,864	1	8,469	-	23,738	1
		328,747	17	275,967	16	640,577	17	541,402	15
	Net operating income	80,384	4	32,751	2	134,540	4	87,315	3
	Non-operating income and expenses (note 6(ab)):								
7100	Interest income	18,008	1	12,761	1	33,503	1	21,338	1
7010	Other income and expenses	2,425	-	5,915	-	10,926	-	18,726	-
7020	Other gains and losses (note 6 (p))	27,517	1	711,325	42	93,612	3	707,815	21
7050	Finance Costs (note 6(p) and (q))	(12,653)	-	(13,696)	(1)	(19,810)	(1)	(29,478)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	6,491	-	(1,122)	-	696	-	(19,314)	(1)
		41,788	2	715,183	42	118,927	3	699,087	20
	Profit before income tax	122,172	6	747,934	44	253,467	7	786,402	23
7950	Income tax expenses (note 6(u))	21,685	1	46,285	3	64,236	2	66,749	2
	Profit	100,487	5	701,649	41	189,231	5	719,653	21
8300	Other comprehensive income (note 6(v)):								
8310	Components of other comprehensive income 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	300	-	(1,100)	-	1,650	-	350	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		300	-	(1,100)	-	1,650	-	350	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	48,016	2	(131,094)	(8)	238,539	7	(113,196)	(3)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(762)	-	(1,236)	-	(2,106)	-	151	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
		47,254	2	(132,330)	(8)	236,433	7	(113,045)	(3)
8300	Other comprehensive income for the year, net of tax	47,554	2	(133,430)	(8)	238,083	7	(112,695)	(3)
	Total comprehensive income for the period, net of tax	\$ 148,041	7	568,219	33	427,314	12	606,958	18
	Profit attributable to:								
8610	Owners of parent	\$ 78,228	4	692,599	40	153,834	4	711,677	21
8620	Non-controlling interests (note 6(h))	22,259	1	9,050	1	35,397	1	7,976	-
		\$ 100,487	5	701,649	41	189,231	5	719,653	21
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 116,379	6	587,353	34	336,500	9	623,770	18
8720	Non-controlling interests (note 6(h))	31,662	2	(19,134)	(1)	90,814	2	(16,812)	-
		\$ 148,041	8	568,219	33	427,314	11	606,958	18
	Earnings per share (NT Dollars) (note 6(x))								
9750	Basic earnings per share	\$ 0.76		7.11		1.53		7.31	
9850	Diluted earnings per share	\$ 0.71		6.14		1.37		6.31	

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 six months ended June 30, 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	Unearned compensation	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
								(losses) on financial assets measured at fair value through other comprehensive income						
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
Net income for the six months ended June 30, 2023	-	-	-	-	711,677	711,677	-	-	-	-	-	711,677	7,976	719,653
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	(88,408)	501	-	(87,907)	-	(87,907)	(24,788)	(112,695)
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	711,677	711,677	(88,408)	501	-	(87,907)	-	623,770	(16,812)	606,958
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
Changes in ownership interests in subsidiaries	-	522	-	-	-	-	-	-	-	-	-	522	(522)	-
Share-based payments transactions	-	1,206	-	-	-	-	-	-	-	-	-	1,206	316	1,522
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(6,561)	(6,561)
Balance at June 30, 2023	\$ 981,322	3,535,615	382,389	347,737	2,032,599	2,762,725	(421,500)	(14,144)	-	(435,644)	(47,301)	6,796,717	1,265,673	8,062,390
Balance at January 1, 2024														
Net income for the six months ended June 30, 2024	-	-	-	-	153,834	153,834	-	-	-	-	-	153,834	35,397	189,231
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	183,122	(456)	-	182,666	-	182,666	55,417	238,083
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	153,834	153,834	183,122	(456)	-	182,666	-	336,500	90,814	427,314
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	79,742	633,529	-	-	-	-	-	-	-	-	-	713,271	-	713,271
Recall of restricted employee stock	(179)	179	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments transactions	-	1,064	-	-	-	-	-	-	-	-	-	1,064	280	1,344
Increase or decrease in non-controlling interests	-	291	-	-	-	-	-	-	-	-	-	291	(7,438)	(7,147)
Balance at June 30, 2024	\$ 1,065,164	4,205,484	508,039	455,501	1,912,808	2,876,348	(220,737)	(14,652)	(37,446)	(272,835)	(47,301)	7,826,860	1,388,290	9,215,150

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 Cash Flows****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 253,467	786,402
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	141,024	126,056
Amortization expenses	5,802	7,370
Expected credit losses	8,469	23,738
Net gains on financial assets or liabilities at fair value through profit	(16,020)	(690,873)
Interest expense	19,810	29,478
Interest income	(33,503)	(21,338)
Share-based payment transactions	1,344	1,522
Share of loss of associates and joint ventures accounted for using equity method	(696)	19,314
Gain on disposal of property, plant and equipment	(53)	(873)
Amortization of deferred income	(2,699)	(2,560)
Gains on lease modification	(15)	(237)
Total adjustments to reconcile profit	123,463	(508,403)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease notes receivable	(325,437)	656,452
(Increase) decrease in accounts receivable	(156,929)	555,250
Decrease in other receivables	18,177	332
(Increase) decrease in inventories	(53,652)	149,219
Decrease (increase) in prepayments	2,901	(890)
Increase in other operating assets	(15,017)	(2,354)
Total changes in operating assets	(529,957)	1,358,009
Changes in operating liabilities:		
Increase (decrease) in notes payable	374,254	(232,343)
Decrease in accounts payable	(34,273)	(400,497)
(Decrease) increase in accounts payable to related parties	(41,256)	66,943
Decrease in other payables	(64,683)	(62,921)
Increase (decrease) in other operating liabilities	5,949	(42,182)
Total changes in operating liabilities	239,991	(671,000)
Total adjustments	(166,503)	178,606
Cash inflow generated from operations	86,964	965,008
Interest received	33,621	21,489
Interest paid	(13,001)	(22,314)
Income taxes paid	(214,882)	(63,246)
Net cash flows (used in) from operating activities	(107,298)	900,937
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(13,182)	(49,639)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,231	6,172
Acquisition of financial assets at fair value through profit or loss	(291,802)	(43,095)
Proceeds from disposal of financial assets at fair value through profit or loss	-	1,184,537
Increase in prepayments for investments	-	(80,000)
Acquisition of property, plant and equipment	(263,656)	(249,755)
Proceeds from disposal of property, plant and equipment	1,172	21,106
Increase in refundable deposits	(2,319)	-
Decrease in refundable deposits	-	211
Acquisition of intangible assets	(12,578)	(1,723)
Increase in other financial assets	(337,978)	(889,435)
Increase in other non-current assets	(30,807)	-
Increase in prepayments for business facilities	(53,242)	(53,381)
Net cash flow used in investing activities	(1,002,161)	(155,002)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	427,999	685,890
Decrease in short-term borrowings	(430,446)	(1,341,930)
Proceeds from long-term borrowings	14,232	-
Repayments of long-term borrowings	(56,382)	(55,239)
Decrease in guarantee deposits received	(255)	-
Repayments of lease liabilities	(8,819)	(8,081)
Increase in deferred income	-	8,619
Change in non-controlling interests	(7,147)	(6,561)
Net cash flow used in financing activities	(60,818)	(717,302)
Effect of exchange rate changes on cash and cash equivalents	86,705	(83,036)
Net decrease in cash and cash equivalents	(1,083,572)	(54,403)
Cash and cash equivalents at beginning of period	3,065,552	2,527,070
Cash and cash equivalents at end of period	\$ 1,981,980	2,472,667

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 six months ended June 30, 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:

The consolidated financial statements for the six months ended June 30, 2024 and 2023 were authorized for issuance by the board of directors on August 8, 2024.

(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”

(Continued)

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

- (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”	<p>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.</p> <ul style="list-style-type: none"> • 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

(Continued)

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

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.

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

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except note4(c) the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

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

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			June 30, 2024	December 31, 2023	June 30, 2023
Swancor Holding	Swancor Innovation & Incubation Co., Ltd. (Swancor Innovation & Incubation)	Management consulting	100% (Note 1)	100%	100% (Note 1)
Swancor Holding	S-Wanlai Co., Ltd. (S-Wanlai)	Producing and selling of synthetic chemicals	100% (Note 1)	100%	100% (Note 1)
Swancor Holding	Swancor Carbon Fiber Composites Corporation., Ltd. (Sunwell Carbon Fiber Composites)	Producing and selling of carbon	86.42%	86.42%	86.42%
Swancor Holding	Strategic Capital Holding Ltd. (Strategic)	Investing and holding of subsidiaries	100%	100%	100%
Swancor Holding	Swancor Recycling Technology(Jiangsu) Ltd. (Swancor Recycling)	Producing and selling of recycled carbon fiber and glass fiber	100% (Note 1)	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%	83.89%
Sunwell Carbon Fiber Composite	COTECH, INC. (COTECH)	Producing and selling of carbon	80.82%	80.82%	80.82%
Strategic	Swancor Ind. Co., Ltd. (Samoa) (Swancor)	Investing and holding of subsidiaries	100%	100%	100%
Strategic	Swancor Advanced Materials Co., Ltd. (Swancor Advanced Materials)	Producing and selling Vinyl Ester Resins and light composite material resins	15.19%	15.20%	15.20%
Swancor	Swancor Advanced Materials	Producing and selling Vinyl Ester Resins and light composite material resins	64.02%	64.03%	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%	100%
Swancor Advanced Materials	Swancor (Jiangsu) New Materials Co., Ltd. (Swancor (Jiangsu))	Producing and selling of energy conservation wind power laminar resins	100%	100%	100%
Swancor Advanced Materials	Swancor (HK) Investment Co., Ltd. (Swancor (HK))	Investing and holding of subsidiaries	100%	100%	100%

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			June 30, 2024	December 31, 2023	June 30, 2023
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% (Note 1)	55%	-%
Swancor (HK)	Swancor Ind(M) SDN.BHD. (Swancor Ind(M))	Producing and selling Vinyl Ester Resins and light composite material resins	100% (Note 1)	100%	100% (Note 1)
Swancor (HK)	Swancor Highpolymer Co., Ltd. (Swancor Highpolymer)	Producing and selling Vinyl Ester Resins and light composite material resin	100%	100%	100%

Note 1: Which is a non-significant subsidiary, its financial statements have not been reviewed.

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

(ii) Changes in ownership of subsidiaries from January 1, 2023 to June 30, 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.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

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

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

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.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and Cash Equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Petty cash and cash on hand	\$ 610	632	384
Demand deposits	1,332,325	1,847,998	825,319
Time deposits	<u>649,045</u>	<u>1,216,922</u>	<u>1,646,964</u>
Cash and cash equivalents in the consolidated statement of cash flow	<u>\$ 1,981,980</u>	<u>3,065,552</u>	<u>2,472,667</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets designated at fair value through profit or loss :			
Structured deposit	\$ 241,733	-	-
Convertible corporate bonds- call right	1,921	-	-
Derivative instruments not used for hedging-Forward exchange contracts	-	48	-
Stocks listed on domestic markets	2,444	2,586	2,618
Stocks unlisted on domestic markets	<u>50,480</u>	<u>-</u>	<u>212,904</u>
Total	<u>\$ 296,578</u>	<u>2,634</u>	<u>215,522</u>

(Continued)

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Financial liabilities mandatorily measured at fair value through profit or loss :			
Convertible corporate bonds- put right	\$ -	436	1,930
Derivative instruments not used for hedging-Forward exchange contracts	<u>-</u>	<u>-</u>	<u>355</u>
Total	<u>\$ -</u>	<u>436</u>	<u>2,285</u>

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

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			
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
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
June 30, 2023			
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts	EUR 414	TWD to EUR	2023.07.20~2023.08.10
	USD 264	TWD to USD	2023.07.09~2023.07.20

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Debt investments at fair value through other comprehensive income :			
Corporate bonds	\$ <u>116,931</u>	<u>101,682</u>	<u>82,353</u>
Equity investments at fair value through other comprehensive income :			
Stocks listed on domestic markets	\$ 47,300	45,650	48,099
Stocks unlisted on domestic markets	<u>105,031</u>	<u>105,031</u>	<u>25,031</u>
Subtotal	<u>152,331</u>	<u>150,681</u>	<u>73,130</u>
Total	<u>\$ 269,262</u>	<u>252,363</u>	<u>155,483</u>

(Continued)

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

(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 June 30, 2024 and 2023.

For credit risk (including the impairment of debt investments) and market risk, please refer to note 6(ab).

The financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023.

(iii) The amounts of other comprehensive profit or loss which were recognized at fair value for the three months and six months ended June 30, 2024 and 2023, were \$(462) thousand, \$(2,336) thousand, \$(456)thousand, and \$501 thousand.

(d) Notes and Accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable from operating activities	\$ 505,829	322,493	1,255,296
Notes receivable-fair value through other comprehensive income	802,189	660,035	543,785
Less: Loss allowance	<u>(4,916)</u>	<u>(3,745)</u>	<u>(5,057)</u>
	<u>\$ 1,303,102</u>	<u>978,783</u>	<u>1,794,024</u>
Accounts receivable - measured as amortized cost	\$ 2,269,997	2,112,749	1,925,998
Less: Loss allowance	<u>(17,802)</u>	<u>(9,983)</u>	<u>(26,031)</u>
	<u>\$ 2,252,195</u>	<u>2,102,766</u>	<u>1,899,967</u>

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.

(Continued)

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

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 June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023 were determined as follows:

June 30, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,288,916	0.04 %	1,188
Overdue 1 to 90 days	139,836	1.44 %	2,014
Overdue 91 to 180 days	120,952	1.72 %	2,083
Overdue 181 to 270 days	2,481	27.77 %	689
Overdue 271 to 360 days	21,931	58.57 %	12,845
Overdue more than 361 days	<u>3,899</u>	100.00 %	<u>3,899</u>
Total	<u><u>\$ 3,578,015</u></u>		<u><u>22,718</u></u>

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	<u>3,899</u>	100 %	<u>3,899</u>
Total	<u><u>\$ 3,095,277</u></u>		<u><u>13,728</u></u>

(Continued)

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

	June 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,429,610	0.01 %	489
Overdue 1 to 90 days	158,705	0.73 %	1,158
Overdue 91 to 180 days	118,929	12.69 %	15,093
Overdue 181 to 270 days	16,629	79.03 %	13,142
Overdue 271 to 360 days	1,206	100.00 %	1,206
Overdue more than 361 days	-	-	-
Total	<u><u>\$ 3,725,079</u></u>		<u><u>31,088</u></u>

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

	For the six months ended June 30	
	2024	2023
Balance on January 1	\$ 13,728	25,353
Impairment losses recognized	8,469	23,738
Amounts written off	-	(17,735)
Foreign exchange losses	521	(268)
Balance on June 30	<u><u>\$ 22,718</u></u>	<u><u>31,088</u></u>

The notes and accounts receivable of the Group had not been pledged as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023.

As of June 30, 2023, the Group sold its notes receivable without recourse as follows:

	June 30, 2023			
Purchaser	Assignment Facility	Factoring Line	Advanced Amount	Range of Interest Rate
Bank of NINGBO	\$ 12,929	-	12,929	1.95%
Bank of NINGBO	21,548	-	21,548	1.95%
Bank of NINGBO	71,640	-	71,640	1.95%
Bank of NINGBO	128,105	-	128,105	1.75%
Agricultural Bank of China	8,619	-	8,619	3.05%
Agricultural Bank of China	6,972	-	6,972	2.45%
	<u><u>\$ 249,813</u></u>	<u><u>-</u></u>	<u><u>249,813</u></u>	

(Continued)

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

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 \$509,820 thousand, \$400,397 thousand and \$381,875 thousand of trade receivables to an unrelated third party as of June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023, the notes receivable for the transfer of endorsements that have not yet expired were \$802,189 thousand, \$660,035 thousand and \$543,785 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(e) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 329,665	339,110	307,581
Finished goods	429,485	365,122	422,642
Goods	17,127	17,736	19,974
Inventory in transit	-	657	35
	<u><u>\$ 776,277</u></u>	<u><u>722,625</u></u>	<u><u>750,232</u></u>

The cost of goods sold were as follows :

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Inventory that has been sold\$	1,512,913	1,383,249	2,882,744	2,739,093
Write-down of inventories	3,281	26,809	2,044	47,902
Loss (gain) on physical inventory	1,011	(1,731)	1,687	(1,871)
Loss on inventory retired	768	1,311	808	3,001
	<u><u>\$ 1,517,973</u></u>	<u><u>1,409,638</u></u>	<u><u>2,887,283</u></u>	<u><u>2,788,125</u></u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group did not provide any inventories as collateral for its loans.

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

(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:

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	\$ <u>915,844</u>	<u>881,689</u>	<u>880,467</u>

(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		
			June 30, 2024	December 31, 2023	June 30, 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%	23.81%

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of individually insignificant associate's equity	\$ <u>915,844</u>	<u>881,689</u>	<u>880,467</u>

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Attributable to the Group:				
Net gain (loss)	\$ <u>6,491</u>	<u>(1,122)</u>	<u>696</u>	<u>(19,314)</u>

(ii) Collaterals

The investment accounted for using equity method of the Group had not been pledged as collaterals as of June 30, 2024, December 31, 2023 and June 30, 2023.

(iii) The unreviewed financial statements of investments accounted for using equity method

Investment were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statement that have not been reviewed.

(Continued)

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

(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.

The Group had recognized financial assets profit of \$471,062 thousand with the condition matched and had received all in December 2022.

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		
		June 30, 2024	December 31, 2023	June 30, 2023
Swancor Advanced Materials	China	20.79%	20.77%	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:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 6,037,108	5,582,229	4,734,732
Non-current assets	2,322,033	2,211,659	2,106,515
Current liabilities	(2,681,869)	(2,467,358)	(1,759,253)
Non- current liabilities	(30,636)	(55,888)	(21,736)
Net assets	<u>\$ 5,646,636</u>	<u>5,270,642</u>	<u>5,060,258</u>
Non-controlling interests	<u>\$ 1,173,936</u>	<u>1,094,712</u>	<u>1,051,016</u>

(Continued)

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating revenue	\$ 1,651,635	1,440,522	3,127,837	2,865,322
Net Operating income	\$ 123,169	82,126	204,067	143,465
Other comprehensive income	(11,293)	27,306	(64,872)	18,738
Comprehensive income	<u>\$ 111,876</u>	<u>109,432</u>	<u>139,195</u>	<u>162,203</u>
Profit, attributable to non-controlling interests	<u>\$ 25,623</u>	<u>17,063</u>	<u>42,426</u>	<u>29,797</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 23,265</u>	<u>22,718</u>	<u>28,939</u>	<u>33,673</u>
Net cash flows from operating activities	\$ 345,273	240,663	391,630	134,591
Net cash flows from investing activities	(92,597)	54,436	(572,521)	(94,429)
Net cash flows from financing activities	(17,656)	(51,985)	(22,553)	(45,872)
Net increase (decrease) in cash and cash equivalents	<u>\$ 235,020</u>	<u>243,114</u>	<u>(203,444)</u>	<u>(5,710)</u>
Dividend paid to non-controlling interest	<u>\$ (7,856)</u>	<u>(7,857)</u>	<u>(7,856)</u>	<u>(7,857)</u>

(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	-	154,411	41,040	32,865	35,340	263,656
Disposals	-	(176)	(4,409)	(9,087)	-	(13,672)
Reclassification	-	1,092,317	55,515	38,690	(1,139,802)	46,720
Effect of movements in exchange rates	-	55,850	39,781	22,099	5,776	123,506
Balance at June 30, 2024	<u>\$ 780,227</u>	<u>2,912,899</u>	<u>1,244,739</u>	<u>863,303</u>	<u>56,639</u>	<u>5,857,807</u>
Balance at January 1, 2023	\$ 780,227	1,629,445	1,085,980	718,118	661,767	4,875,537
Addition	-	-	18,512	27,324	204,302	250,138
Disposals	-	(64)	(40,070)	(9,758)	-	(49,892)
Reclassification	-	-	52,819	8,140	(35,453)	25,506
Effect of movements in exchange rates	-	(28,806)	(19,971)	(9,991)	(1,825)	(60,593)
Balance at June 30, 2023	<u>\$ 780,227</u>	<u>1,600,575</u>	<u>1,097,270</u>	<u>733,833</u>	<u>828,791</u>	<u>5,040,696</u>

(Continued)

Swancor Holding Company Limited and subsidiaries
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		Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in progress and Prepayments for land	Total
Depreciation:							
Balance at January 1, 2024	\$	-	586,258	494,441	503,921	-	1,584,620
Depreciation		-	46,123	45,978	38,142	-	130,243
Disposals		-	(174)	(3,410)	(8,969)	-	(12,553)
Reclassification		-	(210)	-	625	-	415
Effect of movements in exchange rates		-	19,555	17,763	15,601	-	52,919
Balance at June 30, 2024	\$	<u>-</u>	<u>651,552</u>	<u>554,772</u>	<u>549,320</u>	<u>-</u>	<u>1,755,644</u>
Balance at January 1, 2023	\$	-	521,041	434,697	449,837	-	1,405,575
Depreciation		-	36,254	42,240	36,954	-	115,448
Disposals		-	(51)	(21,792)	(7,816)	-	(29,659)
Reclassification		-	(103)	5,066	(4,963)	-	-
Effect of movements in exchange rates		-	(8,651)	(7,742)	(6,728)	-	(23,121)
Balance at June 30, 2023	\$	<u>-</u>	<u>548,490</u>	<u>452,469</u>	<u>467,284</u>	<u>-</u>	<u>1,468,243</u>
Carrying amounts:							
Balance at January 1, 2024	\$	<u>780,227</u>	<u>1,024,239</u>	<u>618,371</u>	<u>274,815</u>	<u>1,155,325</u>	<u>3,852,977</u>
Balance at June 30, 2024	\$	<u>780,227</u>	<u>2,261,347</u>	<u>689,967</u>	<u>313,983</u>	<u>56,639</u>	<u>4,102,163</u>
Balance at January 1, 2023	\$	<u>780,227</u>	<u>1,108,404</u>	<u>651,283</u>	<u>268,281</u>	<u>661,767</u>	<u>3,469,962</u>
Balance at June 30, 2023	\$	<u>780,227</u>	<u>1,052,085</u>	<u>644,801</u>	<u>266,549</u>	<u>828,791</u>	<u>3,572,453</u>

For the three months and six months ended June 30, 2024, and 2023, the amount of interest capitalization was \$0, \$2,562 thousand, \$3,538 thousand and \$4,916 thousand, respectively.

As of June 30, 2024, December 31, 2023 and June 30, 2023, property, plant and equipment pledged as collateral for bank loans are described in note 8.

(j) Right-of-use assets

	Land	Buildings	Transportation Equipment	Total
Carrying amount:				
Balance at January 1, 2024	\$ <u>218,351</u>	<u>20,086</u>	<u>747</u>	<u>239,184</u>
Balance at June 30, 2024	\$ <u>225,291</u>	<u>12,177</u>	<u>1,269</u>	<u>238,737</u>
Balance at January 1, 2023	\$ <u>228,679</u>	<u>21,885</u>	<u>953</u>	<u>251,517</u>
Balance at June 30, 2023	\$ <u>220,303</u>	<u>21,063</u>	<u>1,190</u>	<u>242,556</u>

The Group had no significant additions, disposal, or recognition and reversal of impairment losses of leased land, building, equipment, and transportation equipment for the six months ended June 30, 2024 and 2023. Please refer to note 6(m) to the 2023 annual consolidated financial statements for other related information.

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As of June 30, 2024, December 31, 2023 and June 30, 2023, right-of-use assets pledged as collateral for bank loans are described in note 8.

(k) Intangible Assets

	<u>Technique</u>	<u>Computer software</u>	<u>Total</u>
Carrying value:			
Balance at January 1, 2024	\$ <u>37,051</u>	<u>10,479</u>	<u>47,530</u>
Balance at June 30, 2024	\$ <u>42,197</u>	<u>13,284</u>	<u>55,481</u>
Balance at January 1, 2023	\$ <u>44,129</u>	<u>9,788</u>	<u>53,917</u>
Balance at June 30, 2023	\$ <u>41,191</u>	<u>9,868</u>	<u>51,059</u>

The Group had no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2024 and 2023. Please refer to note 6(n) to the 2023 annual consolidated financial statements for other related information.

As of June 30, 2024, December 31, 2023 and June 30, 2023 the intangible assets of the Group had not been pledged as collateral.

(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:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other current assets :			
Temporary payments and payment on behalf of others	\$ 13,577	25,866	10,042
Guarantee deposit paid	6,724	1,675	1,776
Other-current	<u>77,467</u>	<u>71,886</u>	<u>51,930</u>
	<u>\$ 97,768</u>	<u>99,427</u>	<u>63,748</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other current financial assets :			
Time deposits with maturities of more than three months	\$ 1,880,676	1,522,022	922,900
Restricted bank deposits	22,708	51,358	40,485
Others	<u>7,974</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,911,358</u>	<u>1,573,380</u>	<u>963,385</u>

Restricted bank deposits are confined as restricted bank deposits pledged banker's acceptance,
(Continued)

Swancor Holding Company Limited and subsidiaries
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convertible bond pledged, syndicated loan and loan commitments as collateral, please refer to note 8.

	June 30, 2024	December 31, 2023	June 30, 2023
Other non-current assets :			
Guarantee deposits paid	\$ 9,288	12,018	9,881
Prepayments for equipment	186,325	180,359	87,952
Time deposits with maturities of more than one year	-	-	86,320
Restricted bank deposits	16,902	3,150	-
Prepayment for right-of-use assets	30,807	-	-
Others-non-current	13,486	5,513	5,608
	\$ 256,808	201,040	189,761

(m) Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	\$ 411,930	430,805	638,634
Secured bank loans	16,428	-	-
	\$ 428,358	430,805	638,634
Unused short-term credit lines	\$ 4,065,049	3,468,746	3,589,591
Range of interest rates	2.07%~4.43%	1.94%~4.34%	1.94%~4.31%

(i) Issuance and repayment of borrowings

For the six months ended June 30, 2024 and 2023, the Group obtained from short-term borrowings amounted to \$427,999 thousand and \$685,890 thousand with interest rate of 1.85%~4.43% and 1.64%~5.90%, respectively. The short-term borrowings are due in January 2024 to May 2025 and April 2023 to May 2024, respectively. For the six months ended June 30, 2024 and 2023, the repayment amounted to \$430,446 thousand and \$1,341,930 thousand, respectively.

(ii) Collateral for short-term borrowings

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

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Swancor Holding Company Limited and subsidiaries
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(n) Other payables, other current and non-current liabilities

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

	June 30, 2024	December 31, 2023	June 30, 2023
Other payables :			
Other payables-salary	\$ 113,263	133,008	135,209
Other payables-employee compensation	1,767	1,242	810
Other payables-director's remuneration	3,533	25,824	1,620
Other payables-dividends	585,033	-	487,091
Payables on equipment	57,002	87,729	57,464
Other	<u>301,503</u>	<u>294,935</u>	<u>181,005</u>
	<u>\$ 1,062,101</u>	<u>542,738</u>	<u>863,199</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Other current liabilities:			
Temporary receipts	\$ 608	3,535	967
Receipts under custody	2,286	3,632	3,423
Current deferred revenue	5,264	5,221	5,253
Other	<u>27,121</u>	<u>25,683</u>	<u>18,609</u>
	<u>\$ 35,279</u>	<u>38,071</u>	<u>28,252</u>
Non-current liabilities:			
Non-current deferred revenue	\$ 47,089	47,623	49,939
Guarantee deposit received	694	949	862
Stock appreciation right liabilities	<u>13,049</u>	<u>1,600</u>	<u>-</u>
	<u>\$ 60,832</u>	<u>50,172</u>	<u>50,801</u>

Deferred revenue please refer to note 6(s).

(Continued)

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(o) Long-term borrowings

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

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loans	\$ 293,232	291,220	303,515
Unsecured bank loans	103,242	146,572	175,856
Other loans (Note)	41,970	39,295	38,414
Less: current portion	(100,888)	(80,063)	(58,650)
	<u>\$ 337,556</u>	<u>397,024</u>	<u>459,135</u>
Unused credit lines	<u>\$ 1,196,546</u>	<u>2,193,980</u>	<u>181,000</u>
Range of interest rates	<u>1.98%~4.40%</u>	<u>1.98%~3.92%</u>	<u>2.10%~2.55%</u>

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

For the six months ended June 30, 2024 and 2023, the Group proceeded from long-term repayment amounted to \$44,162 thousand and \$55,239 thousand, respectively.

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Third secured convertible bonds- domestic	\$ 1,000,000	1,000,000	1,000,000
Forth unsecured convertible bonds- domestic	1,000,000	1,000,000	1,000,000
Unamortized discounted corporate bonds payable	(18,962)	(41,202)	(48,548)
Cumulative converted amount	(1,171,200)	(442,200)	(442,200)
Less: current portion	(809,838)	(1,516,598)	-
Corporate bonds issued balance at June 30, 2024	<u>\$ -</u>	<u>-</u>	<u>1,509,252</u>
Embedded derivative – call options, including financial assets at fair value through profit or loss	<u>\$ 1,921</u>	<u>-</u>	<u>-</u>
Embedded derivative – put options, including financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>436</u>	<u>1,930</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 88,754</u>	<u>167,600</u>	<u>167,600</u>

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	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	\$ <u>722</u>	<u>2,679</u>	<u>(2,357)</u>	<u>(1,278)</u>
Interest expense	\$ <u>2,829</u>	<u>3,656</u>	<u>6,511</u>	<u>7,302</u>

There were no significant issues, repurchases and repayments of bonds payable for the six months ended June 30, 2024 and 2023. Please refer to note 6(s) to the 2023 annual consolidated financial statements for other related information.

(q) Lease liabilities

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ <u>9,066</u>	<u>16,532</u>	<u>18,021</u>
Non-current	\$ <u>13,678</u>	<u>15,446</u>	<u>15,249</u>

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>134</u>	<u>116</u>	<u>290</u>	<u>242</u>
Expenses relating to short-term leases	\$ <u>7,994</u>	<u>1,537</u>	<u>9,740</u>	<u>2,975</u>
Income from modification lease	\$ <u>(15)</u>	<u>-</u>	<u>(15)</u>	<u>(237)</u>

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

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	\$ <u>18,849</u>	<u>11,298</u>

(i) Real estate leases

As of June 30, 2024, December 31, 2023 and June 30, 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.

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Swancor Holding Company Limited and subsidiaries
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(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) Provisions

	June 30, 2024	December 31, 2023	June 30, 2023
Legal	\$ <u>7,900</u>	<u>7,900</u>	<u>7,900</u>

Due to the acquisition of COTECH, 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 that the four persons should be forfeited in amount of \$66,503 thousand on May 27, 2021. COTECH needs to recover \$26,430 thousand, based on the advice of the Group's legal counsel, the management estimates the most likely consequence is that COTECH should pay \$26,430 thousand to pay off this obligation, including the expected litigation costs, of which has been paid \$18,530 thousand for the six months ended June 30, 2024.

(s) Deferred income

	June 30, 2024	December 31, 2023	June 30, 2023
Deferred income	\$ <u>52,353</u>	<u>52,844</u>	<u>55,192</u>
Current	\$ 5,264	5,221	5,253
Non-current	<u>47,089</u>	<u>47,623</u>	<u>49,939</u>
	<u>\$ 52,353</u>	<u>52,844</u>	<u>55,192</u>

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.

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(t) Employee benefits

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the six months ended June 30, 2024 and 2023 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating cost	\$ 1,149	1,079	2,274	2,073
Selling expenses	353	292	659	577
Administrative expenses	1,016	1,057	2,028	2,069
Research and development expenses	597	555	1,185	1,027
	<u>\$ 3,115</u>	<u>2,983</u>	<u>6,146</u>	<u>5,746</u>

Other foreign subsidiaries recognized pension expenses of \$7,898 thousand, \$6,892 thousand, \$15,304 thousand and \$13,896 thousand, for the three months and six months ended June 30, 2024 and 2023, respectively, for the defined contribution plans based on their respective local government regulations.

(u) Income taxes

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Income tax expense	\$ <u>21,685</u>	<u>46,285</u>	<u>64,236</u>	<u>66,749</u>

(ii) Assessment of tax

The Group's tax returns were assessed by the Taipei National 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(Note 1)

Note 1: Swancor Highpolymer's tax returns was assessed by the Taipei National Tax Administration for 2022, but the 2021 has not yet been assessed.

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(v) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for periods from January 1 to June 30, 2024 and 2023. For the related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Share premium	\$ 405,127	405,127	405,127
Premium on bonds conversion	1,669,281	956,906	956,906
Donation	253	253	253
Employee share options (overdue and not be executed)	8,151	8,151	8,151
Treasury share transactions	107,315	107,315	107,315
Expired stock option	41,059	41,059	41,059
Difference arising from subsidiary's share price and its carrying value	1,071,861	1,070,506	1,068,867
Stock transfer (from retained earnings of Swancor)	780,337	780,337	780,337
Restricted employee stock	33,346	33,167	-
Equity component of convertible bonds recognized in stock option	88,754	167,600	167,600
	<u>\$ 4,205,484</u>	<u>3,570,421</u>	<u>3,535,615</u>

- 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.

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(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.

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

According to the amendment of the R.O.C. Company Act, the Company must retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of total capital. 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 2023 and 2022 were decided during the Company's general meeting of the shareholders held on May 31, 2024 and May 29, 2023, respectively, as follows:

	<u>2023</u>	<u>2022</u>
Dividends distributed to ordinary shareholders		
Cash	\$ <u>585,033</u>	<u>487,091</u>

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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.

The movement of treasury stock for the six months ended June 30, 2024 was as follows:

(in thousands of shares)

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	<u>713</u>	<u>-</u>	<u>-</u>	<u>713</u>

The movement of treasury stock for the six months ended June 30, 2023 was as follows:

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	<u>713</u>	<u>-</u>	<u>-</u>	<u>713</u>

- 2) In accordance with Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. As of December 31, 2019, the Company could repurchase no more than 7,849 thousand shares, with a total value of no more than \$2,790,383 thousand.
- 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	183,122	-	-	183,122
Net change in fair value of investments in financial assets at FVTOCI	-	(456)	-	(456)
Balance at June 30, 2024	<u>\$ (220,737)</u>	<u>(14,652)</u>	<u>(37,446)</u>	<u>(272,835)</u>
Balance at January 1, 2023	\$ (333,092)	(14,645)	-	(347,737)
Exchange differences on foreign operations	(88,408)	-	-	(88,408)
Net change in fair value of investments in financial assets at FVTOCI	-	501	-	501
Balance at June 30, 2023	<u>\$ (421,500)</u>	<u>(14,144)</u>	<u>-</u>	<u>(435,644)</u>

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(w) Share-based Payments

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

	For the six months ended June 30	
	2024	2023
Equity-settled share-based payment	\$ 1,344	1,522
Cash-settled share-based payment	11,449	-
Total	<u>\$ 12,793</u>	<u>1,522</u>
Total carrying amount of liability for cash-settled arrangements (other non-current liability on account)	<u>\$ 13,049</u>	<u>-</u>

There were no significant changes of share-based payment for the six months ended June 30, 2024 and 2023. Please refer to note 6(z) to 2023 annual consolidated financial statements for other related information.

(x) Earnings per Share

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company	<u>\$ 78,228</u>	<u>692,599</u>	<u>153,834</u>	<u>711,677</u>

2) Weighted average number of ordinary shares

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares	<u>103,100</u>	<u>97,419</u>	<u>100,770</u>	<u>97,419</u>

3) Basic earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 0.76</u>	<u>7.11</u>	<u>1.53</u>	<u>7.31</u>

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Swancor Holding Company Limited and subsidiaries
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(ii) Diluted earnings per share

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company(basic)	\$ 78,228	692,599	153,834	711,677
Effect of dilutive potential ordinary shares				
Interest expense on convertible bonds, net of tax	<u>2,840</u>	<u>5,068</u>	<u>3,323</u>	<u>4,820</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 81,068</u>	<u>697,667</u>	<u>157,157</u>	<u>716,497</u>

2) Weighted average number of ordinary shares (diluted)

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares (basic)	103,100	97,419	100,770	97,419
Effect of dilutive potential ordinary shares				
Effect of conversion of convertible bonds	11,814	16,200	14,119	16,201
Effect of restricted employee shares unvested (Notes)	<u>6</u>	<u>6</u>	<u>17</u>	<u>19</u>
Weighted average number of ordinary shares (diluted)	<u>114,920</u>	<u>113,625</u>	<u>114,906</u>	<u>113,639</u>

3) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Diluted earnings per share	<u>\$ 0.71</u>	<u>6.14</u>	<u>1.37</u>	<u>6.31</u>

Notes: 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.

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(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
<u>Primary geographical markets</u>				
Taiwan	\$ 315,315	299,954	597,356	587,860
China	931,150	971,410	1,689,009	1,733,938
Other	680,639	446,992	1,376,035	1,095,044
	<u>\$ 1,927,104</u>	<u>1,718,356</u>	<u>3,662,400</u>	<u>3,416,842</u>
<u>Major products/services lines</u>				
Anti-corrosion material	\$ 824,315	802,361	1,476,389	1,543,874
Wind blade material	589,405	389,729	1,230,994	936,251
Circular economy material	15,908	16,401	21,304	16,401
Other	497,476	509,865	933,713	920,316
	<u>\$ 1,927,104</u>	<u>1,718,356</u>	<u>3,662,400</u>	<u>3,416,842</u>

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Contract liability-advance payment	<u>\$ 8,016</u>	<u>10,681</u>	<u>25,510</u>

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

The amount of revenue recognized for the for the three months and six months ended June 30, 2024 and 2023, that were included in the contract liability balance at the beginning of the period were \$118 thousand, \$13,636 thousand, \$8,190 thousand and \$30,939 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.

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For the three months and six months ended June 30, 2024 and 2023, the Company estimated and reversed its employee remuneration amounting to \$833 thousand, \$534 thousand, \$1,767 thousand and \$810 thousand and directors' remuneration amounting to \$1,666 thousand, \$1,069 thousand, \$3,533 thousand and \$1,620 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.

For the year ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to \$1,242 thousand and \$2,769 thousand, and directors' remuneration amounting to \$25,824 thousand and \$14,523 thousand. Related information would be available at the Market Observation Post System website.

(aa) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 16,567	11,821	30,704	19,813
Interest income from bonds investment	1,441	940	2,799	1,525
	\$ 18,008	12,761	33,503	21,338

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Government subsidy	\$ 1,190	3,263	7,594	13,992
Other	1,235	2,652	3,332	4,734
	\$ 2,425	5,915	10,926	18,726

(Continued)

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(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Gains on disposal of property, plant and equipment	\$ 74	993	53	873
Foreign exchange gains	21,449	24,083	77,539	16,069
Gains on disposal of financial assets (liabilities) measured at fair value through profit or loss	5,994	686,249	16,020	690,873
	\$ 27,517	711,325	93,612	707,815

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expense-bank loans	\$ 9,067	11,789	15,276	25,435
Interest expense-lease liabilities	134	116	290	242
Interest expense-bonds	2,829	3,656	6,511	7,302
Interest expense-government loans	623	697	1,271	1,415
Less: capitalization of interest	-	(2,562)	(3,538)	(4,916)
	\$ 12,653	13,696	19,810	29,478

(ab) Financial instrument

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(ae) of the consolidated financial statements for the year ended December 31, 2023.

(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 June 30, 2024, December 31, 2023 and June 30, 2023, the percentage of 9%, 9% and 5%, 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 six months ended June 30, 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
June 30, 2024						
Non-derivative financial liabilities						
Secured loans	\$ 309,660	339,063	25,079	201,212	52,497	60,275
Unsecured loans	515,172	525,797	478,688	18,407	28,702	-
Other loans	41,970	42,800	42,800	-	-	-
Accounts payable (including related parties)	3,526,588	3,526,588	3,526,588	-	-	-
Bonds payable	809,838	828,800	828,800	-	-	-
Lease liability	22,744	24,053	9,493	3,917	7,401	3,242
	<u>\$ 5,225,972</u>	<u>5,287,101</u>	<u>4,911,448</u>	<u>223,536</u>	<u>88,600</u>	<u>63,517</u>
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
	<u>\$ 5,164,968</u>	<u>5,243,256</u>	<u>4,809,661</u>	<u>97,951</u>	<u>286,032</u>	<u>49,612</u>

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	Carrying amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	Over 5 years
June 30, 2023						
Non-derivative financial liabilities						
Secured loans	\$ 303,515	327,350	6,858	18,989	249,104	52,399
Unsecured loans	814,490	832,946	711,581	66,177	55,188	-
Other loans	38,414	40,510	-	40,510	-	-
Accounts payable (including related parties)	2,440,935	2,440,935	2,440,935	-	-	-
Bonds payable	1,509,252	1,557,800	-	-	1,557,800	-
Lease liability	33,270	34,952	15,856	9,052	5,245	4,799
	\$ 5,139,876	5,234,493	3,175,230	134,728	1,867,337	57,198

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:

	June 30, 2024				December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rates	NTD		Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets										
Monetary items										
USD	\$	37,421	32.45	1,214,311	47,792	30.705	1,467,453	29,875	31.14	930,308
EUR		1,293	34.71	44,880	1,529	33.98	51,955	2,169	33.81	73,334
Financial liabilities										
Monetary items										
USD		7,109	32.45	230,687	4,809	30.705	147,660	3,104	31.14	96,659
EUR		1	34.71	35	213	33.98	7,238	101	33.81	3,415

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 June 30, 2024 and 2023 would have increased (decreased) the net profit after tax by \$4,114 thousand and \$3,614 thousand, respectively.

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 three months and six months ended June 30, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$21,449 thousand, \$24,083 thousand, \$77,539 thousand and \$16,069 thousand, respectively.

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2) 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.

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 \$3,467 thousand and \$4,472 thousand for the six months ended June 30, 2024 and 2023, respectively. This is mainly due to the Group's borrowing in variable rates.

3) Other market price risk

For the six months ended June 30, 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:

	For the six months ended June 30			
	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 0.5%	\$ 237	12	240	13
Decreasing 0.5%	(237)	(12)	(240)	(13)

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The fair value of financial assets 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:

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June 30, 2024					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 296,578	2,444	243,654	50,480	296,578
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	47,300	47,300	-	-	47,300
Original bonds	116,931	116,931	-	-	116,931
Subtotal	269,262	164,231	-	105,031	269,262
Financial assets measured at amortized cost					
Cash and cash equivalents	1,981,980	-	-	-	-
Notes, accounts and other receivables	3,560,697	-	-	-	-
Current and non-current other financial assets	1,928,260	-	-	-	-
Refundable deposit	16,012	-	-	-	-
Subtotal	7,486,949	-	-	-	-
Total	\$ 8,052,789	166,675	243,654	155,511	565,840
Financial liabilities					
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 428,358	-	-	-	-
Notes, accounts and other payables (including related parties)	3,526,588	-	-	-	-
Long-term borrowings, current portion	100,888	-	-	-	-
Long-term borrowings (including other loans)	337,556	-	-	-	-
Bonds payable	809,838	-	1,311,024	-	1,311,024
Current and non-current lease liabilities	22,744	-	-	-	-
Total	\$ 5,225,972	-	1,311,024	-	1,311,024
December 31, 2023					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Non derivative 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

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December 31, 2023					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	3,065,552	-	-	-	-
Notes, accounts and other receivables	3,091,622	-	-	-	-
Current and non-current other financial assets	1,576,530	-	-	-	-
Refundable deposit	13,693	-	-	-	-
Subtotal	<u>7,747,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,002,394</u>	<u>149,918</u>	<u>48</u>	<u>105,031</u>	<u>254,997</u>
Financial liabilities					
Financial liabilities at fair value through profit or loss					
Non derivative 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	<u>5,164,968</u>	<u>-</u>	<u>1,800,809</u>	<u>-</u>	<u>1,800,809</u>
Total	<u>\$ 5,165,404</u>	<u>-</u>	<u>1,801,245</u>	<u>-</u>	<u>1,801,245</u>
June 30, 2023					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 215,522	2,618	-	212,904	215,522
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	25,031	-	-	25,031	25,031
Stocks listed on domestic markets	48,099	48,099	-	-	48,099
Original bonds	82,353	82,353	-	-	82,353
Subtotal	<u>155,483</u>	<u>130,452</u>	<u>-</u>	<u>25,031</u>	<u>155,483</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	2,472,667	-	-	-	-
Notes, accounts and other receivables	3,697,723	-	-	-	-
Other financial assets-current	963,385	-	-	-	-
Refundable deposits	11,657	-	-	-	-
Subtotal	<u>7,145,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,516,437</u>	<u>133,070</u>	<u>-</u>	<u>237,935</u>	<u>371,005</u>

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	June 30, 2023				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities					
Financial liabilities measured at amortized cost					
Non derivative financial liabilities mandatorily measured at fair value through profit or loss	\$ 2,285	-	2,285	-	2,285
Financial liabilities measured at amortized cost					
Short-term borrowings	638,634	-	-	-	-
Notes, accounts and other payables (including related parties)	2,440,935	-	-	-	-
Long-term borrowings, current portion	58,650	-	-	-	-
Long-term borrowings (including other loans)	459,135	-	-	-	-
Bonds payable	1,509,252	-	1,746,308	-	1,746,308
Current and non-current lease liabilities	33,270	-	-	-	-
Subtotal	5,139,876	-	1,746,308	-	1,746,308
Total	\$ 5,142,161	-	1,748,593	-	1,748,593

- 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.

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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 six months ended June 30, 2024 and 2023.

5) Reconciliation of Level 3 fair values

	Fair value through profit or loss (Unquoted equity instruments)	Fair value through other comprehensive income (Unquoted equity instruments)
Opening balance on January 1, 2024	\$ -	105,031
Purchased	50,480	-
Balance at June 30, 2024	<u>\$ 50,480</u>	<u>105,031</u>
Balance at January 1, 2023	\$ 665,904	25,031
Disposal	(453,000)	-
Balance at June 30, 2023	<u>\$ 212,904</u>	<u>25,031</u>

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 measured at fair value through profit or loss - equity investments without an active market- Synera Renewable Energy	Discounted Cash Flow Method	<ul style="list-style-type: none"> Cost of equity Ratio (As of June 30, 2023 was 9.12%) Lack of marketability (As of June 30, 2023 was 19%) 	<ul style="list-style-type: none"> the lower the Cost of equity Ratio, the higher the fair value the higher the lack of marketability discount, the lower the fair value

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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	<ul style="list-style-type: none"> • Price-Book Ratio (As of June 30, 2024, December 31, 2023 and June 30, 2023 were 1.59~2.06, 1.59~2.06 and 2.02~2.42, respectively) • Price-to-Sales Ratio (As of June 30, 2024, December 31, 2023 and June 30, 2023 were 0.59~1.48, 0.59~1.48 and 0.63~1.58, respectively) • Lack of marketability discount (As of June 30, 2024, December 31, 2023 and June 30, 2023 were all 35%) 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Price-Book Ratio (As of June 30, 2024 and December 31, 2023 were both 3.19) • Price-to-Sales Ratio (As of June 30, 2024 and December 31, 2023 were both 4.14) • Lack of marketability discount (As of June 30, 2024 and December 31, 2023 were both 35%) 	<ul style="list-style-type: none"> • 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

(Continued)

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

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:

			<u>Profit or loss</u>		<u>Other comprehensive income</u>	
	<u>Input value</u>	<u>Change up or down</u>	<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
June 30, 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)
June 30, 2023						
Financial assets at fair value through profit or lost						
Equity investments without an active market	212,904	0.5 %	1,065	(1,065)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	25,031	0.5 %	-	-	125	(125)

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

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(af) of the consolidated financial statements for the year ended December 31, 2023.

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

(ad) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(ag) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(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 in the six months ended June 30, 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						June 30, 2024
	January 1, 2024	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 430,805	(2,447)	-	-	-	-	428,358
Long-term borrowings (including current portion)	437,792	(42,150)	250	-	582	-	396,474
Other loans (including deferred income)	92,139	-	(250)	4,444	(2,010)	-	94,323
Lease liabilities (including current portion)	31,978	(8,819)	(899)	484	-	-	22,744
Bonds payable	1,516,598	-	-	-	6,511	(713,271)	809,838
Total liabilities from financing activities	<u>\$ 2,509,312</u>	<u>(53,416)</u>	<u>(899)</u>	<u>4,928</u>	<u>5,083</u>	<u>(713,271)</u>	<u>1,751,737</u>
	Non-cash changes						June 30, 2023
	January 1, 2023	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 1,294,674	(656,040)	-	-	-	-	638,634
Long-term borrowings (including current portion)	534,549	(55,239)	-	(701)	762	-	479,371
Other loans (including deferred income)	88,775	8,619	-	(1,881)	(1,907)	-	93,606
Lease liabilities (including current portion)	34,751	(8,081)	6,708	(108)	-	-	33,270
Bonds payable	1,502,045	-	-	-	7,302	(95)	1,509,252
Total liabilities from financing activities	<u>\$ 3,454,794</u>	<u>(710,741)</u>	<u>6,708</u>	<u>(2,690)</u>	<u>6,157</u>	<u>(95)</u>	<u>2,754,133</u>

(Continued)

Swancor Holding Company Limited and subsidiaries
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(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:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Associates-Meijia New Materials	\$ <u>48,243</u>	<u>86,580</u>	<u>97,166</u>	<u>123,842</u>

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	June 30, 2024	December 31, 2023	June 30, 2023
Director of the subsidiary— Wan-Cong, Wong	\$ 1,421	1,421	1,421
Relative within second degree of relationship of director of the subsidiary— Qian-Xiu, Wong	2,459	2,459	2,459
Relative within second degree of relationship of director of the subsidiary— Yun-Zhe, Wong	717	717	717
Relative within first degree of relationship of director of the subsidiary— Qian-Long, Wong	403	403	403
	<u>\$ 5,000</u>	<u>5,000</u>	<u>5,000</u>

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

(Continued)

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

(iii) Payable from Related Parties

The payable from associate were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable	Associate - Meijia New Materials	\$ <u>45,138</u>	<u>86,394</u>	<u>71,261</u>

(c) Key management personnel compensation

Key management personnel compensation comprised the following details:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 7,294	6,940	18,556	15,654
Post-employment benefits	275	291	541	483
Other long-term employee benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 7,569</u>	<u>7,231</u>	<u>19,097</u>	<u>16,137</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Land	Bank loans	\$ 540,921	540,921	540,921
Buildings	Bank loans	259,003	621,095	619,472
Right-of-use asset	Bank loans	159,616	153,968	154,886
Restricted bank deposit (other financial assets- current and non-current)	Bank's acceptance bill, Bank loans, forward exchange contract and stand by L/C and bank guarantee	38,610	53,508	40,485
Restricted bank deposit (other non-current assets)	Performance Guarantee	1,000	1,000	-
		<u>\$ 999,150</u>	<u>1,370,492</u>	<u>1,355,764</u>

(Continued)

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

(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of property, plant and equipment	\$ <u>64,192</u>	<u>257,498</u>	<u>488,840</u>

(b) Outstanding standby letter of credit

	June 30, 2024	December 31, 2023	June 30, 2023
Outstanding standby letter of credit	\$ <u>78,802</u>	<u>115,997</u>	<u>95,776</u>

(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:

	For the three months ended June 30					
By function	2024			2023		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	42,139	89,851	131,990	39,310	77,968	117,278
Labor and health insurance	4,367	7,119	11,486	4,127	7,077	11,204
Pension	3,770	7,243	11,013	3,376	6,499	9,875
Others	2,125	1,836	3,961	1,841	1,541	3,382
Depreciation	44,871	32,725	77,596	44,302	18,078	62,380
Amortization	3	3,040	3,043	-	3,703	3,703

(Continued)

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

	For the six months ended June 30					
By function	2024			2023		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	82,753	171,470	254,223	78,965	154,125	233,090
Labor and health insurance	8,663	14,396	23,059	7,833	14,253	22,086
Pension	7,313	14,137	21,450	6,722	12,920	19,642
Others	4,027	3,354	7,381	3,747	2,961	6,708
Depreciation	85,734	55,290	141,024	85,730	40,326	126,056
Amortization	3	5,799	5,802	-	7,370	7,370

- (b) Seasonality of operations: The Group's operations are not affected by seasonal or cyclical factors.

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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 (Note 5)	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	RMB16,000 USD2,000 137,723	USD2,000 64,900	USD2,000 64,900	5%	2	-	Operating purpose	-	-	-	3,130,712 (Note 1)	3,130,712 (Note 1)
1	Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite	Other receivables	Yes	RMB15,000 68,696	RMB15,000 68,298	RMB15,000 68,298	3.9%	2	-	Operating purpose	-	-	-	107,418 (Note 2)	286,448 (Note 2)
2	Swancor Highpolymer	Swancor Ind(M)	Other receivables	Yes	USD2,500 81,363	USD2,500 81,125	USD2,500 81,125	4.83%~5.3%	2	-	Operating purpose	-	-	-	199,100 (Note 3)	530,933 (Note 3)
3	Swancor Tianjin	Shandong Longneng	Other receivables	Yes	RMB5,000 22,766	RMB5,000 22,766	-	-	2	-	Operating purpose	-	-	-	152,999 (Note 4)	407,997 (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.

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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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	3,913,390	260,000	180,000	-	-	2.30 %	7,826,780	Y	N	N
0	Swancor Holding	Sunwell (Jiangsu) Carbon Fiber Composites	2	3,913,390	396,660	371,786	202,162	-	4.75 %	7,826,780	Y	N	Y
0	Swancor Holding	Yang-Bao	1	782,678	80,000	-	-	-	- %	7,826,780	N	N	N
1	Swancor Highpolymer	Swancor Ind(M)	1	663,666	194,700	194,700	-	-	14.67 %	1,327,332	N	N	N
1	Swancor Highpolymer	Swancor Advanced Materials	2	663,666	147,294	145,782	-	-	10.98 %	1,327,332	N	Y	Y
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,687,465	938,839	751,278	71,189	-	13.36 %	2,812,442	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,687,465	1,338,613	1,338,613	146,795	-	23.80 %	2,812,442	N	N	Y
2	Swancor Advanced Materials	Swancor Ind(M)	2	1,687,465	80,947	-	-	-	- %	2,812,442	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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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Swancor Holding	Stock – China Communications Media Group Co., Ltd.		Financial assets at fair value through profit or loss-current	10	46	0.04 %	46	
Swancor Holding	Stock- Tsang Yow Industrial Co., Ltd.		Financial assets at fair value through profit or loss-current	26	732	0.03 %	732	
Swancor Holding	Stock – Aero Win Technology Corporation		Financial assets at fair value through profit or loss-current	12	537	0.02 %	537	
Swancor Holding	Stock – Koan Hau Technology Co., Ltd.		Financial assets at fair value through profit or loss-current	68	1,129	0.09 %	1,129	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through profit or loss-non-current	631	50,480	0.69 %	50,480	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through other comprehensive income - non-current	2,000	80,000	2.92 %	80,000	
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	
Swancor Holding	Special Stock – WT Microelectronics Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	1,000	47,300	0.10 %	47,300	
Swancor Holding	Stock – Promix Composites, Inc.		Financial assets at fair value through other comprehensive income-non-current	1,500	-	10.00 %	-	
Swancor Holding	Stock- Ideal Star International Corp.		Financial assets at fair value through other comprehensive income-non-current	500,000	-	10.00 %	-	
Swancor Holding	Stock- Dell International LLC		Financial assets at fair value through other comprehensive income-non-current	-	4,360	- %	4,360	
Swancor Holding	Bonds-Citigroup Inc.		Financial assets at fair value through other comprehensive income-non-current	-	8,854	- %	8,854	
Swancor Holding	Bonds-AT & T Corporation		Financial assets at fair value through other comprehensive income-non-current	-	6,829	- %	6,829	
Swancor Holding	Stock- British Petroleum		Financial assets at fair value through other comprehensive income-non-current	-	5,730	- %	5,730	
Swancor Holding	Bonds-Hewlett Packard Company		Financial assets at fair value through other comprehensive income-non-current	-	5,411	- %	5,411	
Swancor Holding	Bonds-Saudi Aramco		Financial assets at fair value through other comprehensive income-non-current	-	15,998	- %	15,998	
Swancor Holding	Bonds-Standard & Poor's		Financial assets at fair value through other comprehensive income-non-current	-	9,440	- %	9,440	
Swancor Holding	Bonds-POSCO		Financial assets at fair value through other comprehensive income-non-current	-	14,804	- %	14,804	
Swancor Holding	Bonds-Macquarie Group Limited		Financial assets at fair value through other comprehensive income-non-current	-	6,254	- %	6,254	
Swancor Holding	Bonds-GLE		Financial assets at fair value through other comprehensive income-non-current	-	12,734	- %	12,734	
Swancor Holding	Bonds-Goldman		Financial assets at fair value through other comprehensive income-non-current	-	6,488	- %	6,488	
Swancor Holding	Bonds-Ford		Financial assets at fair value through other comprehensive income-non-current	-	6,695	- %	6,695	
Swancor Holding	Bonds-Capital One Financial Corp.		Financial assets at fair value through other comprehensive income-non-current	-	6,642	- %	6,642	
Swancor Holding	Bonds-Hyundai Group		Financial assets at fair value through other comprehensive income-non-current	-	6,692	- %	6,692	

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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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)	(682,468)	(18.44) %	90 day	Note 1	No difference	620,839	17.35 %	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	682,468	0.63 %	90 day	Note 1	No difference	(620,839)	(25.24) %	

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	620,839	(2.29)	-	-	423,484	-

- (ix) Information regarding trading in derivative financial instruments: None.
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the six months ended June 30, 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 (Jiangsu)	Swancor Advanced Materials	3	Sales	682,468	The sales prices and payment terms were same as those of sales to third parties.	18.44 %
2	Swancor Advanced Materials	Swancor (Jiangsu)	3	Purchases	682,468	The sales prices and payment terms were same as those of sales to third parties.	18.44 %

Note1 : The number filled in as follows:

- 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 from 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) for the six months ended June 30, 2024.

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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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	458,000	458,000	45,800	86.42 %	618,678	31,992	27,647	
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100.00 %	4,369,010	USD 4,961 158,289	158,289	
Swancor Holding	Swancor Innovation & Incubation	R.O.C.	Management consulting	210,000	210,000	21,000	100.00 %	79,458	(19,211)	(19,211)	
Swancor Holding	S-Wanlai	R.O.C.	Chemical products manufacturing and processing	350,000	350,000	35,000	100.00 %	318,949	(17,945)	(17,945)	
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 233,692	USD 7,100 233,692	7,100	100.00 %	USD 109,741 3,561,105	USD 4,003 127,728	USD 4,003 127,728	
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 346,974 1,579,853	RMB 40,554 182,113	RMB 40,554 182,113	
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 %	HKD 60,580 251,744	HKD 3,215 13,120	HKD 3,215 13,120	
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 %	HKD319,408 1,327,315	HKD41,403 168,964	HKD41,403 168,964	
Sunwell Carbon Fiber Composite	COTECH	R.O.C.	Producing and selling carbon composites	130,000	130,000	130,000	80.82 %	130,000	(8,831)	-	

Note : Each investment income is recognized based on the reviewed financial statements of each invested company in the period except of Swancor Innovation & Incubation, Swancor Ind. (M) and S-wanlai have not been reviewed.

(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 June 30, 2024	Net income (losses) of the investee	Percentage of ownership	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 6,396 204,067	79.21 %	USD 5,067 161,682	USD 137,834 4,472,700	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 %	-	-	-
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 6,116 (27,464)	79.21 %	RMB (4,845) (21,760)	RMB 177,442 807,937	-
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 (4,380) (19,670)	79.21 %	RMB (3,470) (15,585)	RMB 150,581 685,633	-
Meijia New Materials	Producing and selling of powder coating and epoxy resin	RMB 210,000 913,290	Indirectly owned by the company	-	-	-	-	RMB 651 2,923	18.86 %	RMB 123 551	RMB 159,265 725,172	-
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 (3,637) (16,333)	72.50 %	RMB (2,637) (11,842)	442,093	-

(Continued)

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 June 30, 2024	Net income (losses) of the investee	Percentage of ownership	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 11,890,527,747	Indirectly owned by the company	-	-	-	-	RMB 998,448,1	43.58 %	RMB 435,193	RMB 5,957,27,124	-
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	-	-	USD 5,000,157,150	RMB (747)(3,352)	100.00%	RMB (747)(3,352)	157,962	-

Note 1 : Each investment income is recognized based on the reviewed financial statements of each invested company in the period except of Meijia New Materials, Shandong Longneng and Swancor Recycling have not been reviewed.

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Swancor Holding	USD7,282	USD 94,531,2,858,077	5,529,090

Note1 : Invested by Ideal Star

Note2 : The amount was recognized based on the reviewed 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

Shareholder's name	Shareholding	Shares	Percentage
Tsai's Holding Co., Ltd.		19,380,658	18.19 %

(14) Segment information:

Information about reportable segments was the same as that of the consolidated financial report. Please refer to the consolidated balance sheets and statement of comprehensive income.