

(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 Nine Months Ended September 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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income, for the three months and nine months ended September 30, 2024 and 2023, changes in equity and cash flows for the nine months ended September 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 \$1,389,198 thousand and \$1,110,646 thousand, constituting 9.79% and 7.75% of the consolidated total assets; and the total liabilities amounting to \$417,700 thousand and \$284,941 thousand, constituting 9.05% and 5.17% of the consolidated total liabilities of September 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$(30,464) thousand, \$(21,944) thousand, \$(59,502) thousand and \$(34,462) thousand, constituting (68.63)%, (2.93)%, (12.61)% and (2.54)% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 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 \$905,738 thousand and \$921,551 thousand as of September 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$2,809 thousand, \$3,216 thousand, \$3,505 thousand and \$(16,098) thousand for the three months and nine months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 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)
November 7, 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

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 1,436,324	10	3,065,552	22	2,307,645	16	2100	Short-term borrowings (note 6(m) and 8)	\$ 464,943	3	430,805	3	562,788	4
1110	Current financial assets at fair value through profit or loss (note 6(b) and (p))	306,707	2	2,634	-	672,029	5	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (p))	4	-	436	-	2,087	-
1150	Notes receivable, net (note 6(d))	1,508,909	11	978,783	7	1,285,800	9	2130	Current contract liabilities (note 6(y))	16,126	-	10,681	-	13,463	-
1170	Accounts receivable, net (note 6(d))	2,360,832	17	2,102,766	15	2,052,191	14	2150	Notes payable	390,487	3	163,025	1	114,649	1
1200	Other receivables	4,218	-	10,073	-	477,128	4	2170	Accounts payable	2,062,425	14	1,911,343	13	1,920,050	13
1220	Current tax assets	23,898	-	37,871	-	40,023	-	2180	Accounts payable to related parties (note 7)	75,301	1	86,394	1	72,875	1
130X	Inventories (note 6(e))	911,735	6	722,625	5	754,450	5	2200	Other payables (note 6(n))	512,459	4	542,738	4	437,658	3
1410	Prepayments	57,689	-	48,385	-	45,774	-	2220	Other payables to related parties (note 7)	5,000	-	5,000	-	5,000	-
1479	Other current assets (note 6(l))	92,424	1	99,427	1	80,085	1	2230	Current tax liabilities	72,341	1	250,246	2	223,204	2
1476	Other current financial assets (note 6(l) and 8)	1,408,345	10	1,573,380	11	886,186	6	2399	Other current liabilities (note 6(n) and (s))	33,608	-	38,071	-	27,784	-
	Total current assets	<u>8,111,081</u>	<u>57</u>	<u>8,641,496</u>	<u>61</u>	<u>8,601,311</u>	<u>60</u>	2321	Bonds payable, current portion (note 6(p) and 8)	-	-	1,516,598	10	-	-
Non-current assets:								2322	Long-term borrowings, current portion (note 6(o) and 8)	92,535	1	80,063	1	61,856	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	50,480	-	-	-	258,160	2	2280	Current lease liabilities (note 6(q))	8,419	-	16,532	-	14,747	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	271,338	2	252,363	2	226,998	2		Total current liabilities	<u>3,733,648</u>	<u>27</u>	<u>5,051,932</u>	<u>35</u>	<u>3,456,161</u>	<u>24</u>
1550	Investments accounted for using equity method (note 6(f))	905,738	7	881,689	6	921,551	6	Non-Current liabilities:							
1600	Property, plant and equipment (note 6(i) and 8)	4,071,318	29	3,852,977	27	3,759,431	26	2530	Bonds payable (note 6(p) and 8)	408,455	3	-	-	1,512,920	11
1755	Right-of-use assets (note 6(j) and 8)	237,193	2	239,184	2	246,368	2	2540	Long-term borrowings (note 6(o) and 8)	348,783	3	397,024	3	430,988	3
1780	Intangible assets (note 6(k))	52,334	-	47,530	-	48,396	-	2550	Non-current provisions (note 6(r))	7,900	-	7,900	-	7,900	-
1840	Deferred tax assets	150,544	1	156,792	1	101,254	1	2570	Deferred income tax liabilities	38,264	-	85,196	1	41,442	-
1990	Other non-current assets (note 6(l) and 8)	333,218	2	201,040	1	165,268	1	2670	Other non-current liabilities, others (note 6(n), (s) and (w))	62,681	-	50,172	-	51,564	-
	Total non-current assets	<u>6,072,163</u>	<u>43</u>	<u>5,631,575</u>	<u>39</u>	<u>5,727,426</u>	<u>40</u>	2580	Non-current lease liabilities (note 6(q))	14,594	-	15,446	-	14,810	-
									Total non-current liabilities	<u>880,677</u>	<u>6</u>	<u>555,738</u>	<u>4</u>	<u>2,059,624</u>	<u>14</u>
									Total liabilities	<u>4,614,325</u>	<u>33</u>	<u>5,607,670</u>	<u>39</u>	<u>5,515,785</u>	<u>38</u>
								Equity attributable to owners of parent (note 6(v)):							
								3100	Ordinary shares	1,111,274	8	985,601	7	985,601	7
								3200	Capital surplus (note 6(w))	4,562,823	32	3,570,421	25	3,569,604	25
								3300	Retained earnings	2,926,416	20	3,307,547	23	3,315,136	23
								3400	Other equity	(286,794)	(2)	(455,501)	(3)	(335,716)	(2)
								3500	Treasury shares	(141,487)	(1)	(47,301)	-	(47,301)	-
									Total equity attributable to owners of parent:	<u>8,172,232</u>	<u>57</u>	<u>7,360,767</u>	<u>52</u>	<u>7,487,324</u>	<u>53</u>
								36xx	Non-controlling interests (note 6(h))	1,396,687	10	1,304,634	9	1,325,628	9
									Total equity	<u>9,568,919</u>	<u>67</u>	<u>8,665,401</u>	<u>61</u>	<u>8,812,952</u>	<u>62</u>
Total assets		<u>\$ 14,183,244</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>14,328,737</u>	<u>100</u>	Total liabilities and equity		<u>\$ 14,183,244</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>14,328,737</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 nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (note 6(y))	\$ 2,107,027	100	1,922,680	100	5,769,427	100	5,339,522	100
5000	Operating costs (note 6(e), (t) and 7)	1,596,790	76	1,579,528	82	4,484,073	78	4,367,653	82
	Gross profit from operations	510,237	24	343,152	18	1,285,354	22	971,869	18
	Operating expenses (note 6(t) and (z)):								
6100	Selling expenses	201,119	10	120,081	6	489,300	8	334,343	6
6200	Administrative expenses	118,609	6	97,662	5	333,851	6	284,571	5
6300	Research and development expenses	64,063	3	60,499	3	192,748	3	176,992	4
6450	Impairment loss determined in accordance with IFRS 9 (note 6(d))	(5,458)	-	(18,885)	(1)	3,011	-	4,853	-
		378,333	19	259,357	13	1,018,910	17	800,759	15
	Net operating income	131,904	5	83,795	5	266,444	5	171,110	3
	Non-operating income and expenses (note 6(ab)):								
7100	Interest income	10,714	1	10,429	1	44,217	1	31,767	-
7010	Other income and expenses	8,427	-	6,133	-	19,353	-	24,859	-
7020	Other gains and losses (note 6 (p))	(25,494)	(1)	555,320	29	68,118	1	1,263,135	24
7050	Finance Costs (note 6(p) and (q))	(9,372)	-	(11,282)	(1)	(29,182)	(1)	(40,760)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	2,809	-	3,216	-	3,505	-	(16,098)	-
		(12,916)	-	563,816	29	106,011	1	1,262,903	24
	Profit before income tax	118,988	5	647,611	34	372,455	6	1,434,013	27
7950	Income tax expenses (note 6(u))	51,784	2	76,897	4	116,020	2	143,646	3
	Profit	67,204	3	570,714	30	256,435	4	1,290,367	24
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	1,050	-	(8,750)	(1)	2,700	-	(8,400)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		1,050	-	(8,750)	(1)	2,700	-	(8,400)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(28,017)	(1)	190,493	10	210,522	4	77,297	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	4,149	-	(2,933)	-	2,043	-	(2,782)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(23,868)	(1)	187,560	10	212,565	4	74,515	1
8300	Other comprehensive income for the year, net of tax	(22,818)	(1)	178,810	9	215,265	4	66,115	1
	Total comprehensive income for the period, net of tax	\$ 44,386	2	749,524	39	471,700	8	1,356,482	25
	Profit attributable to:								
8610	Owners of parent	\$ 50,068	2	552,411	29	203,902	3	1,264,088	24
8620	Non-controlling interests (note 6(h))	17,136	1	18,303	1	52,533	1	26,279	-
		\$ 67,204	3	570,714	30	256,435	4	1,290,367	24
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 36,109	2	689,785	36	372,609	6	1,313,555	25
8720	Non-controlling interests (note 6(h))	8,277	-	59,739	3	99,091	2	42,927	-
		\$ 44,386	2	749,524	39	471,700	8	1,356,482	25
	Earnings per share (NT Dollars) (note 6(x))								
9750	Basic earnings per share	\$ 0.46		5.66		1.98		12.96	
9850	Diluted earnings per share	\$ 0.45		4.84		1.81		11.10	

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 nine months ended September 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 nine months ended September 30, 2023	-	-	-	-	1,264,088	1,264,088	-	-	-	-	-	1,264,088	26,279	1,290,367
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	60,649	(11,182)	-	49,467	-	49,467	16,648	66,115
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	1,264,088	1,264,088	60,649	(11,182)	-	49,467	-	1,313,555	42,927	1,356,482
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	90,315	-	(90,315)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(43,630)	43,630	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(487,091)	(487,091)	-	-	-	-	-	(487,091)	-	(487,091)
Conversion of convertible bonds	11	84	-	-	-	-	-	-	-	-	-	95	-	95
Issuance of restricted employee stock	4,279	33,167	-	-	-	-	-	-	(37,446)	(37,446)	-	-	-	-
Changes in ownership interests in subsidiaries	-	522	-	-	-	-	-	-	-	-	-	522	(522)	-
Share-based payments transactions	-	2,028	-	-	-	-	-	-	-	-	-	2,028	532	2,560
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(6,561)	(6,561)
Balance at September 30, 2023	\$ 985,601	3,569,604	382,389	347,737	2,585,010	3,315,136	(272,443)	(25,827)	(37,446)	(335,716)	(47,301)	7,487,324	1,325,628	8,812,952
Balance at January 1, 2024														
Net income for the nine months ended September 30, 2024	-	-	-	-	203,902	203,902	-	-	-	-	-	203,902	52,533	256,435
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	163,964	4,743	-	168,707	-	168,707	46,558	215,265
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	203,902	203,902	163,964	4,743	-	168,707	-	372,609	99,091	471,700
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	127,613	988,798	-	-	-	-	-	-	-	-	-	1,116,411	-	1,116,411
Recall of restricted employee stock	(1,940)	1,940	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(94,186)	(94,186)	-	(94,186)
Share-based payments transactions	-	1,528	-	-	-	-	-	-	-	-	-	1,528	400	1,928
Increase or decrease in non-controlling interests	-	136	-	-	-	-	-	-	-	-	-	136	(7,438)	(7,302)
Balance at September 30, 2024	\$ 1,111,274	4,562,823	508,039	455,501	1,962,876	2,926,416	(239,895)	(9,453)	(37,446)	(286,794)	(141,487)	8,172,232	1,396,687	9,568,919

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 nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 372,455	1,434,013
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	218,085	190,372
Amortization expenses	8,906	8,251
Expected credit losses	3,011	4,853
Net gains on financial assets or liabilities at fair value through profit	(23,693)	(1,211,046)
Interest expense	29,182	40,760
Interest income	(44,217)	(31,767)
Share-based payment transactions	1,928	2,560
Share of loss of associates and joint ventures accounted for using equity method	(3,505)	16,098
Loss (gain) on disposal of property, plant and equipment	4,328	(856)
Amortization of deferred income	(4,016)	(3,912)
Gains on lease modification	(15)	(237)
Total adjustments to reconcile profit	189,994	(984,924)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(533,147)	1,166,314
(Increase) decrease in accounts receivable	(258,095)	420,273
Decrease in other receivables	27,394	2,345
(Increase) decrease in inventories	(189,110)	145,001
Increase in prepayments	(9,304)	(1,982)
Increase in other operating assets	(71,778)	(19,926)
Total changes in operating assets	(1,034,040)	1,712,025
Changes in operating liabilities:		
Increase (decrease) in notes payable	227,462	(311,966)
Increase in accounts payable	151,082	212,350
(Decrease) increase in accounts payable to related parties	(11,093)	68,557
(Decrease) increase in other payables	(29,059)	24,434
Increase (decrease) in other operating liabilities	15,946	(54,858)
Total changes in operating liabilities	354,338	(61,483)
Total adjustments	(489,708)	665,618
Cash (outflow) inflow generated from operations	(117,253)	2,099,631
Interest received	44,391	31,972
Interest paid	(20,277)	(28,902)
Income taxes paid	(247,833)	(67,435)
Net cash flows (used in) from operating activities	(340,972)	2,035,266
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(13,182)	(129,639)
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	(352,870)	(712,835)
Proceeds from disposal of current financial assets at fair value through profit or loss	-	1,185,687
Acquisition of property, plant and equipment	(325,365)	(460,638)
Proceeds from disposal of property, plant and equipment	9,528	21,193
(Increase) decrease in refundable deposits	(4,527)	643
Acquisition of intangible assets	(12,620)	(1,723)
Decrease (increase) in other financial assets	165,035	(725,916)
Increase in prepayments for business facilities	(81,427)	(117,726)
Net cash flow used in investing activities	(613,197)	(934,782)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	699,064	847,061
Decrease in short-term borrowings	(664,926)	(1,578,947)
Proceeds from long-term borrowings	35,593	-
Repayments of long-term borrowings	(75,103)	(83,816)
(Increase) decrease in guarantee deposits received	(255)	87
Repayments of lease liabilities	(11,700)	(11,991)
Cash dividends paid	(585,033)	(487,091)
Payments to acquire treasury shares	(94,186)	-
Increase in deferred income	-	8,989
Change in non-controlling interests	(7,302)	(6,561)
Net cash flow used in financing activities	(703,848)	(1,312,269)
Effect of exchange rate changes on cash and cash equivalents	28,789	(7,640)
Net decrease in cash and cash equivalents	(1,629,228)	(219,425)
Cash and cash equivalents at beginning of period	3,065,552	2,527,070
Cash and cash equivalents at end of period	\$ 1,436,324	2,307,645

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 nine months ended September 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 nine months ended September 30, 2024 and 2023 were authorized for issuance by the board of directors on November 7, 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.

(Continued)

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		
			September 30, 2024	December 31, 2023	September 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 circular economy products	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% (Note 1)	80.82%	80.82% (Note 1)
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 and Vinyl Ester 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		
			September 30, 2024	December 31, 2023	September 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%
S-Wanlai	Swancor Netherlands B.V. (Swancor Netherlands)	Technical services	100% (Note 1)	-	-

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 September 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.

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

(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

	September 30, 2024	December 31, 2023	September 30, 2023
Petty cash and cash on hand	\$ 571	632	6,237
Demand deposits	1,066,577	1,847,998	909,228
Time deposits	<u>369,176</u>	<u>1,216,922</u>	<u>1,392,180</u>
Cash and cash equivalents in the consolidated statement of cash flow	<u><u>\$ 1,436,324</u></u>	<u><u>3,065,552</u></u>	<u><u>2,307,645</u></u>

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets designated at fair value through profit or loss :			
Structured deposit	\$ 302,845	-	669,266
Convertible corporate bonds- call right	1,417	-	-
Derivative instruments not used for hedging- Forward exchange contracts	-	48	292
Stocks listed on domestic markets	2,445	2,586	2,471
Stocks unlisted on domestic markets	<u>50,480</u>	<u>-</u>	<u>258,160</u>
Total	<u><u>\$ 357,187</u></u>	<u><u>2,634</u></u>	<u><u>930,189</u></u>

(Continued)

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial liabilities mandatorily measured at fair value through profit or loss :			
Convertible corporate bonds- put right	\$ -	436	2,087
Derivative instruments not used for hedging-Forward exchange contracts	<u>4</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4</u>	<u>436</u>	<u>2,087</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:

September 30, 2024			
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts	EUR 73	TWD to EUR	2024.10.13~2024.11.06
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
September 30, 2023			
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts	EUR 38	TWD to EUR	2023.10.14~2023.10.27
	EUR 72	TWD to EUR	2023.10.14~2023.10.29
	EUR 116	TWD to EUR	2023.10.14~2023.11.03
	EUR 35	TWD to EUR	2023.10.14~2023.11.04
	EUR 150	TWD to EUR	2023.10.14~2023.11.10

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Debt investments at fair value through other comprehensive income :			
Corporate bonds	\$ 117,957	101,682	82,618

(Continued)

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

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income :			
Stocks listed on domestic markets	\$ 48,350	45,650	39,349
Stocks unlisted on domestic markets	<u>105,031</u>	<u>105,031</u>	<u>105,031</u>
Subtotal	<u>153,381</u>	<u>150,681</u>	<u>144,380</u>
Total	<u>\$ 271,338</u>	<u>252,363</u>	<u>226,998</u>

(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 September 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 September 30, 2024, December 31, 2023 and September 30, 2023.

(iii) The amounts of other comprehensive profit or loss which were recognized at fair value for the three months and nine months ended September 30, 2024 and 2023, were \$5,199 thousand, \$(11,683) thousand, \$4,743 thousand, and \$(11,182) thousand.

(d) Notes and Accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable from operating activities	\$ 820,585	322,493	668,329
Notes receivable-fair value through other comprehensive income	695,214	660,035	621,076
Less: Loss allowance	<u>(6,890)</u>	<u>(3,745)</u>	<u>(3,605)</u>
	<u>\$ 1,508,909</u>	<u>978,783</u>	<u>1,285,800</u>
Accounts receivable - measured as amortized cost	\$ 2,371,062	2,112,749	2,061,176
Less: Loss allowance	<u>(10,230)</u>	<u>(9,983)</u>	<u>(8,985)</u>
	<u>\$ 2,360,832</u>	<u>2,102,766</u>	<u>2,052,191</u>

(Continued)

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

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023 were determined as follows:

September 30, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,585,123	0.01 %	398
Overdue 1 to 90 days	177,766	2.16 %	3,847
Overdue 91 to 180 days	63,156	7.26 %	4,582
Overdue 181 to 270 days	52,901	4.24 %	2,242
Overdue 271 to 360 days	1,968	5.28 %	104
Overdue more than 361 days	<u>5,947</u>	100.00 %	<u>5,947</u>
Total	<u><u>\$ 3,886,861</u></u>		<u><u>17,120</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

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,077,445	0.03 %	1,006
Overdue 1 to 90 days	223,199	2.27 %	5,070
Overdue 91 to 180 days	46,037	5.68 %	2,614
Overdue 181 to 270 days	-	- %	-
Overdue 271 to 360 days	2,694	100 %	2,694
Overdue more than 361 days	<u>1,206</u>	<u>100 %</u>	<u>1,206</u>
Total	<u><u>\$ 3,350,581</u></u>		<u><u>12,590</u></u>

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

	For the nine months ended September 30	
	2024	2023
Balance on January 1	\$ 13,728	25,353
Impairment losses recognized	3,011	4,853
Amounts written off	-	(17,746)
Foreign exchange losses	<u>381</u>	<u>130</u>
Balance on September 30	<u><u>\$ 17,120</u></u>	<u><u>12,590</u></u>

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

(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 \$522,308 thousand, \$400,397thousand and \$487,023 thousand of trade receivables to an unrelated third party as of September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023, the notes receivable for the transfer of endorsements that have not yet expired were \$695,214 thousand, \$660,035 thousand and \$621,076 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(e) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 384,447	339,110	315,980
Finished goods	510,392	365,122	421,913
Goods	16,653	17,736	16,331
Inventory in transit	243	657	226
	<u><u>\$ 911,735</u></u>	<u><u>722,625</u></u>	<u><u>754,450</u></u>

The cost of goods sold were as follows :

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Inventory that has been sold\$	1,611,784	1,561,758	4,494,528	4,300,851
Write-down of inventories	(15,619)	16,341	(13,575)	64,243
Loss (gain) on physical inventory	165	1,425	1,852	(446)
Loss on inventory retired	460	4	1,268	3,005
	<u><u>\$ 1,596,790</u></u>	<u><u>1,579,528</u></u>	<u><u>4,484,073</u></u>	<u><u>4,367,653</u></u>

As of September 30, 2024, December 31, 2023 and September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	\$ <u>905,738</u>	<u>881,689</u>	<u>921,551</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		
			September 30, 2024	December 31, 2023	September 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%

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amounts of individually insignificant associate's equity	\$ <u>905,738</u>	<u>881,689</u>	<u>921,551</u>

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Attributable to the Group:				
Net gain (loss)	\$ <u>2,809</u>	<u>3,216</u>	<u>3,505</u>	<u>(16,098)</u>

(ii) Collaterals

The investment accounted for using equity method of the Group had not been pledged as collaterals as of September 30, 2024, December 31, 2023 and September 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 and \$646,591 thousand with the condition matched and had received all in December 2023 and 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		
		September 30, 2024	December 31, 2023	September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 6,157,178	5,582,229	5,459,847
Non-current assets	2,358,592	2,211,659	2,251,099
Current liabilities	(2,799,282)	(2,467,358)	(2,271,645)
Non- current liabilities	(49,882)	(55,888)	(72,382)
Net assets	<u>\$ 5,666,606</u>	<u>5,270,642</u>	<u>5,366,919</u>
Non-controlling interests	<u>\$ 1,178,087</u>	<u>1,094,712</u>	<u>1,114,709</u>

(Continued)

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating revenue	\$ 1,817,910	1,635,643	4,945,747	4,500,965
Net Operating income	\$ 93,979	134,526	298,046	277,991
Other comprehensive income	42,235	(47,643)	(22,637)	(28,905)
Comprehensive income	<u>\$ 136,214</u>	<u>86,883</u>	<u>275,409</u>	<u>249,086</u>
Profit, attributable to non-controlling interests	<u>\$ 19,538</u>	<u>27,942</u>	<u>61,964</u>	<u>57,739</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 28,319</u>	<u>18,062</u>	<u>57,258</u>	<u>51,735</u>
Net cash flows from operating activities	\$ (564,676)	934,371	(173,046)	1,068,962
Net cash flows from investing activities	452	(819,397)	(572,069)	(913,826)
Net cash flows from financing activities	(25,435)	(775)	(47,988)	(46,647)
Net increase (decrease) in cash and cash equivalents	<u>\$ (589,659)</u>	<u>114,199</u>	<u>(793,103)</u>	<u>108,489</u>
Dividend paid to non-controlling interest	<u>\$ -</u>	<u>-</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	-	172,983	71,085	69,836	11,461	325,365
Disposals	-	(176)	(12,454)	(32,294)	-	(44,924)
Reclassification	-	1,092,764	56,571	22,981	(1,140,326)	31,990
Effect of movements in exchange rates	-	59,755	43,472	19,376	5,966	128,569
Balance at September 30, 2024	<u>\$ 780,227</u>	<u>2,935,823</u>	<u>1,271,486</u>	<u>858,635</u>	<u>32,426</u>	<u>5,878,597</u>
Balance at January 1, 2023	\$ 780,227	1,629,445	1,085,980	718,118	661,767	4,875,537
Additions	-	11,446	10,303	30,766	382,281	434,796
Disposals	-	(64)	(40,075)	(10,985)	-	(51,124)
Reclassification	-	-	52,850	10,040	(35,473)	27,417
Effect of movements in exchange rates	-	17,420	12,957	8,161	2,115	40,653
Balance at September 30, 2023	<u>\$ 780,227</u>	<u>1,658,247</u>	<u>1,122,015</u>	<u>756,100</u>	<u>1,010,690</u>	<u>5,327,279</u>

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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		-	75,722	70,786	56,823	-	203,331
Disposals		-	(175)	(7,312)	(23,581)	-	(31,068)
Reclassification		-	(211)	-	625	-	414
Effect of movements in exchange rates		-	18,812	17,840	13,330	-	49,982
Balance at September 30, 2024	\$	-	680,406	575,755	551,118	-	1,807,279
Balance at January 1, 2023	\$	-	521,041	434,697	449,837	-	1,405,575
Depreciation		-	54,602	63,887	56,036	-	174,525
Disposals		-	(51)	(21,796)	(8,940)	-	(30,787)
Reclassification		-	(103)	5,069	(4,966)	-	-
Effect of movements in exchange rates		-	6,756	6,004	5,775	-	18,535
Balance at September 30, 2023	\$	-	582,245	487,861	497,742	-	1,567,848
Carrying amounts:							
Balance at January 1, 2024	\$	780,227	1,024,239	618,371	274,815	1,155,325	3,852,977
Balance at September 30, 2024	\$	780,227	2,255,417	695,731	307,517	32,426	4,071,318
Balance at January 1, 2023	\$	780,227	1,108,404	651,283	268,281	661,767	3,469,962
Balance at September 30, 2023	\$	780,227	1,076,002	634,154	258,358	1,010,690	3,759,431

For the three months and nine months ended September 30, 2024, and 2023, the amount of interest capitalization was \$0, \$2,859 thousand, \$3,538 thousand and \$7,775 thousand, respectively.

As of September 30, 2024, December 31, 2023 and September 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	\$ 218,351	20,086	747	239,184
Balance at September 30, 2024	\$ 223,500	9,442	4,251	237,193
Balance at January 1, 2023	\$ 228,679	21,885	953	251,517
Balance at September 30, 2023	\$ 227,539	17,861	968	246,368

The Group had no significant additions, disposals, or recognition and reversal of impairment losses of leased land, building, equipment, and transportation equipment for the nine months ended September 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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Swancor Holding Company Limited and subsidiaries
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As of September 30, 2024, December 31, 2023 and September 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 September 30, 2024	\$ <u>40,234</u>	<u>12,100</u>	<u>52,334</u>
Balance at January 1, 2023	\$ <u>44,129</u>	<u>9,788</u>	<u>53,917</u>
Balance at September 30, 2023	\$ <u>38,856</u>	<u>9,540</u>	<u>48,396</u>

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

As of September 30, 2024, December 31, 2023 and September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current assets :			
Temporary payments and payment on behalf of others	\$ 12,757	25,866	18,046
Guarantee deposit paid	1,724	1,675	1,683
Other-current	<u>77,943</u>	<u>71,886</u>	<u>60,356</u>
	<u>\$ 92,424</u>	<u>99,427</u>	<u>80,085</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current financial assets :			
Time deposits with maturities of more than three months	\$ 1,322,820	1,522,022	837,143
Restricted bank deposits	<u>85,525</u>	<u>51,358</u>	<u>49,043</u>
	<u>\$ 1,408,345</u>	<u>1,573,380</u>	<u>886,186</u>

Restricted bank deposits are confined as letter of guarantee, banker’s acceptance, convertible bond

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pledged, syndicated loan and loan commitments as collateral, please refer to note 8.

	September 30, 2024	December 31, 2023	September 30, 2023
Other non-current assets :			
Guarantee deposits paid	\$ 16,496	12,018	9,542
Prepayments for equipment	229,229	180,359	150,386
Restricted bank deposits	18,708	3,150	-
Prepayment for right-of-use assets	54,102	-	-
Others-non-current	14,683	5,513	5,340
	<u>\$ 333,218</u>	<u>201,040</u>	<u>165,268</u>

(m) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	\$ 448,515	430,805	562,788
Secured bank loans	16,428	-	-
	<u>\$ 464,943</u>	<u>430,805</u>	<u>562,788</u>
Unused short-term credit lines	<u>\$ 4,037,530</u>	<u>3,468,746</u>	<u>3,703,595</u>
Range of interest rates	<u>1.95~4.43%</u>	<u>1.94%~4.34%</u>	<u>1.94%~4.34%</u>

(i) Issuance and repayment of borrowings

For the nine months ended September 30, 2024 and 2023, the Group obtained from short-term borrowings amounted to \$699,064 thousand and \$847,061 thousand with interest rate of 1.95%~4.43% and 1.64%~4.34%, respectively. The short-term borrowings are due in March 2024 to May 2025 and April 2023 to July 2024, respectively. For the nine months ended September 30, 2024 and 2023, the repayment amounted to \$664,926 thousand and \$1,578,947 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
Notes to the Consolidated Financial Statements

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Other payables :			
Other payables-salary	\$ 124,086	133,008	139,087
Other payables-employee compensation	2,355	1,242	1,585
Other payables-director's remuneration	4,711	25,824	14,377
Other payables-dividends	14,769	-	-
Payables on equipment	50,216	87,729	31,239
Other	<u>316,322</u>	<u>294,935</u>	<u>251,370</u>
	<u>\$ 512,459</u>	<u>542,738</u>	<u>437,658</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Other current liabilities:			
Temporary receipts	\$ 2,418	3,535	1,192
Receipts under custody	1,765	3,632	3,654
Current deferred revenue	5,215	5,221	5,414
Other	<u>24,210</u>	<u>25,683</u>	<u>17,524</u>
	<u>\$ 33,608</u>	<u>38,071</u>	<u>27,784</u>
Non-current liabilities:			
Non-current deferred revenue	\$ 45,429	47,623	50,615
Guarantee deposit received	694	949	949
Stock appreciation right liabilities	<u>16,558</u>	<u>1,600</u>	<u>-</u>
	<u>\$ 62,681</u>	<u>50,172</u>	<u>51,564</u>

Deferred revenue please refer to note 6(s).

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

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(o) Long-term borrowings

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

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans	\$ 314,311	291,220	291,220
Unsecured bank loans	85,023	146,572	161,224
Other loans (Note)	41,984	39,295	40,400
Less: current portion	(92,535)	(80,063)	(61,856)
	<u>\$ 348,783</u>	<u>397,024</u>	<u>430,988</u>
Unused credit lines	<u>\$ 15,972</u>	<u>2,193,980</u>	<u>181,000</u>
Range of interest rates	<u>2.225%~4.4%</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 nine months ended September 30, 2024 and 2023, the Group obtained from long-term borrowings amounted to \$35,593 thousand and \$0 with interest rate of 4.4%. The long-term borrowings are due in July 2039. For the for the nine months ended September 30, 2024 and 2023 the repayment amounted to \$75,103 thousand and \$83,816 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:

	September 30, 2024	December 31, 2023	September 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	(6,245)	(41,202)	(44,880)
Cumulative converted amount	(1,585,300)	(442,200)	(442,200)
Less: current portion	-	(1,516,598)	-
Corporate bonds issued balance at September 30, 2024	<u>\$ (408,455)</u>	<u>-</u>	<u>1,512,920</u>
Embedded derivative – call options, including financial assets at fair value through profit or loss	<u>\$ 1,417</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>2,087</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 45,461</u>	<u>167,600</u>	<u>167,600</u>

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	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	\$ <u>504</u>	<u>157</u>	<u>(1,853)</u>	<u>(1,121)</u>
Interest expense	\$ <u>1,757</u>	<u>3,668</u>	<u>8,268</u>	<u>10,970</u>

There were no significant issues, repurchases and repayments of bonds payable for the nine months ended September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ <u>8,419</u>	<u>16,532</u>	<u>14,747</u>
Non-current	\$ <u>14,594</u>	<u>15,446</u>	<u>14,810</u>

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>131</u>	<u>214</u>	<u>421</u>	<u>456</u>
Expenses relating to short-term leases	\$ <u>7,076</u>	<u>1,534</u>	<u>16,816</u>	<u>4,509</u>
Income from modification lease	\$ <u>-</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 nine months ended September 30	
	2024	2023
Total cash outflow for leases	\$ <u>28,937</u>	<u>16,956</u>

(i) Real estate leases

As of September 30, 2024, December 31, 2023 and September 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

	September 30, 2024	December 31, 2023	September 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 nine months ended September 30, 2024.

(s) Deferred income

	September 30, 2024	December 31, 2023	September 30, 2023
Deferred income	\$ <u>50,644</u>	<u>52,844</u>	<u>56,029</u>
Current	\$ 5,215	5,221	5,414
Non-current	<u>45,429</u>	<u>47,623</u>	<u>50,615</u>
	\$ <u>50,644</u>	<u>52,844</u>	<u>56,029</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 three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating cost	\$ 1,102	1,027	3,376	3,100
Selling expenses	347	300	1,006	877
Administrative expenses	1,046	1,055	3,074	3,124
Research and development expenses	634	510	1,819	1,537
	<u>\$ 3,129</u>	<u>2,892</u>	<u>9,275</u>	<u>8,638</u>

Other foreign subsidiaries recognized pension expenses of \$8,242 thousand, \$7,284 thousand, \$23,546 thousand and \$22,849 thousand, for the three months and nine months ended September 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 September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Income tax expense	\$ <u>51,784</u>	<u>76,897</u>	<u>116,020</u>	<u>143,646</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 September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Share premium	\$ 405,127	405,127	405,127
Premium on bonds conversion	2,067,843	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	1,072,170	1,070,506	1,069,689
Stock transfer (from retained earnings of Swancor)	780,337	780,337	780,337
Restricted employee stock	35,107	33,167	33,167
Equity component of convertible bonds recognized in stock option	45,461	167,600	167,600
	<u>\$ 4,562,823</u>	<u>3,570,421</u>	<u>3,569,604</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.
- 2) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the August 8, 2024, the Board of Directors of the Company determined to repurchase 1,500 thousand shares during August 9 to October 8, 2024, at the price of \$73 to \$193 per share, in order to maintain company credit and shareholders' rights and interests.

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

	(in thousands of shares)			
Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	713	-	-	713
Maintain company credit and shareholders' rights and interests	-	847	-	847
	<u>713</u>	<u>847</u>	<u>-</u>	<u>1,560</u>

The movement of treasury stock for the nine months ended September 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>

- 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	163,964	-	-	163,964
Net change in fair value of investments in financial assets at FVTOCI	-	4,743	-	4,743
Balance at September 30, 2024	<u>\$ (239,895)</u>	<u>(9,453)</u>	<u>(37,446)</u>	<u>(286,794)</u>

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Balance at January 1, 2023	\$	(333,092)	(14,645)	-	(347,737)
Exchange differences on foreign operations		60,649	-	-	60,649
Net change in fair value of investments in financial assets at FVTOCI		-	(11,182)	-	(11,182)
Issuance of restricted employee stock		-	-	(37,446)	(37,446)
Balance at September 30, 2023	\$	<u>(272,443)</u>	<u>(25,827)</u>	<u>(37,446)</u>	<u>(335,716)</u>

(w) Share-based Payments

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

	For the nine months ended September 30	
	2024	2023
Equity-settled share-based payment	\$ 1,928	2,560
Cash-settled share-based payment	14,958	-
Total	<u>\$ 16,886</u>	<u>2,560</u>
Total carrying amount of liability for cash-settled arrangements (other non-current liability on account)	<u>\$ 16,558</u>	<u>-</u>

There were no significant changes of share-based payment for the nine months ended September 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 September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company	<u>\$ 50,068</u>	<u>552,411</u>	<u>203,902</u>	<u>1,264,088</u>

2) Weighted average number of ordinary shares

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares	<u>107,825</u>	<u>97,670</u>	<u>103,139</u>	<u>97,503</u>

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3) Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 0.46</u>	<u>5.66</u>	<u>1.98</u>	<u>12.96</u>

(ii) Diluted earnings per share

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company(basic)	\$ 50,068	552,411	203,902	1,264,088
Effect of dilutive potential ordinary shares				
Interest expense on convertible bonds, net of tax	<u>1,810</u>	<u>3,058</u>	<u>5,133</u>	<u>7,878</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 51,878</u>	<u>555,469</u>	<u>209,035</u>	<u>1,271,966</u>

2) Weighted average number of ordinary shares (diluted)

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares (basic)	107,825	97,670	103,139	97,503
Effect of dilutive potential ordinary shares				
Effect of conversion of convertible bonds	7,164	17,084	12,042	17,084
Effect of restricted employee shares unvested (Notes)	<u>5</u>	<u>9</u>	<u>23</u>	<u>24</u>
Weighted average number of ordinary shares (diluted)	<u>114,994</u>	<u>114,763</u>	<u>115,204</u>	<u>114,611</u>

3) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Diluted earnings per share	<u>\$ 0.45</u>	<u>4.84</u>	<u>1.81</u>	<u>11.10</u>

Notes: For the calculation of the dilutive effect of the stock option, the average market value is

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assessed based on the quoted market price on the balance sheet day and the day before the Board of Directors' meeting, where the Company's option is outstanding.

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
<u>Primary geographical markets</u>				
Taiwan	\$ 268,691	362,964	866,047	950,824
China	983,426	1,049,150	2,672,435	2,783,088
Other	854,910	510,566	2,230,945	1,605,610
	<u>\$ 2,107,027</u>	<u>1,922,680</u>	<u>5,769,427</u>	<u>5,339,522</u>
<u>Major products/services lines</u>				
Anti-corrosion material	\$ 803,711	850,474	2,280,100	2,394,348
Wind blade material	804,217	612,460	2,035,211	1,548,711
Circular economy material	17,342	-	38,646	16,401
Other	481,757	459,746	1,415,470	1,380,062
	<u>\$ 2,107,027</u>	<u>1,922,680</u>	<u>5,769,427</u>	<u>5,339,522</u>

(ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liability-advance payment	<u>\$ 16,126</u>	<u>10,681</u>	<u>13,463</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 nine months ended September 30, 2024 and 2023, that were included in the contract liability balance at the beginning of the period were \$22 thousand, \$3,763 thousand, \$8,212 thousand and \$34,702 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 nine months ended September 30, 2024 and 2023, the Company estimated and reversed its employee remuneration amounting to \$588 thousand, \$775 thousand, \$2,355 thousand and \$1,585 thousand and directors' remuneration amounting to \$1,178 thousand, \$12,757 thousand, \$4,711 thousand and \$14,377 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 shareholders' 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 September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 9,276	9,446	39,980	29,259
Interest income from bonds investment	1,438	983	4,237	2,508
	\$ 10,714	10,429	44,217	31,767

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Government subsidy	\$ 7,354	1,756	14,948	15,748
Other	1,073	4,377	4,405	9,111
	\$ 8,427	6,133	19,353	24,859

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(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Gains on disposal of property, plant and equipment	\$ (4,381)	(17)	(4,328)	856
Foreign exchange gains	(28,786)	35,164	48,753	51,233
Gains on disposal of financial assets (liabilities) measured at fair value through profit or loss	7,673	520,173	23,693	1,211,046
	\$ (25,494)	555,320	68,118	1,263,135

(iv) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expense-bank loans	\$ 6,912	9,577	22,188	35,012
Interest expense-lease liabilities	131	214	421	456
Interest expense-bonds	1,757	3,668	8,268	10,970
Interest expense-government loans	572	682	1,843	2,097
Less: capitalization of interest	-	(2,859)	(3,538)	(7,775)
	\$ 9,372	11,282	29,182	40,760

(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 September 30, 2024, December 31, 2023 and September 30, 2023, the percentage of 7%, 9% and 12%, 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 nine months ended September 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
September 30, 2024						
Non-derivative financial liabilities						
Secured loans	\$ 330,739	361,922	30,257	201,821	57,238	72,606
Unsecured loans	533,538	540,484	499,279	16,172	25,033	-
Other loans	41,984	42,457	42,457	-	-	-
Accounts payable (including related parties)	3,045,672	3,045,672	3,045,672	-	-	-
Bonds payable	408,455	414,700	-	414,700	-	-
Lease liability	23,013	24,268	8,856	4,268	8,291	2,853
	<u>\$ 4,383,401</u>	<u>4,429,503</u>	<u>3,626,521</u>	<u>636,961</u>	<u>90,562</u>	<u>75,459</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
September 30, 2023						
Non-derivative financial liabilities						
Secured loans	\$ 291,220	313,757	9,718	18,658	236,395	48,986
Unsecured loans	724,012	739,486	633,667	58,090	47,729	-
Other loans	40,400	42,249	-	42,249	-	-
Accounts payable (including related parties)	2,550,232	2,550,232	2,550,232	-	-	-
Bonds payable	1,512,920	1,557,800	-	-	1,557,800	-
Lease liability	29,557	30,970	15,217	6,674	4,669	4,410
	\$ 5,148,341	5,234,494	3,208,834	125,671	1,846,593	53,396

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:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets									
<u>Monetary items</u>									
USD	\$ 39,124	31.65	1,238,275	47,792	30.705	1,467,453	27,678	32.27	893,169
EUR	1,306	35.38	46,206	1,529	33.98	51,955	1,843	33.91	62,496
Financial liabilities									
<u>Monetary items</u>									
USD	13,822	31.65	437,466	4,809	30.705	147,660	5,839	32.27	188,425
EUR	240	35.38	8,491	213	33.98	7,238	932	33.91	31,604

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 September 30, 2024 and 2023 would have increased (decreased) the net profit after tax by \$3,354 thousand and \$2,943 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 nine months ended September 30, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(28,786) thousand, \$35,164 thousand, \$48,753 thousand and \$51,233 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 \$3,625 thousand and \$4,223 thousand for the nine months ended September 30, 2024 and 2023, respectively. This is mainly due to the Group's borrowing in variable rates.

3) Other market price risk

For the nine months ended September 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 nine months ended September 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%	\$ 242	12	197	12
Decreasing 0.5%	(242)	(12)	(197)	(12)

(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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September 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	\$ 357,187	2,445	304,262	50,480	357,187
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	48,350	48,350	-	-	48,350
Original bonds	117,957	117,957	-	-	117,957
Subtotal	271,338	166,307	-	105,031	271,338
Financial assets measured at amortized cost					
Cash and cash equivalents	1,436,324	-	-	-	-
Notes, accounts and other receivables	3,873,959	-	-	-	-
Current and non-current other financial assets	1,427,053	-	-	-	-
Refundable deposit	18,220	-	-	-	-
Subtotal	6,755,556	-	-	-	-
Total	\$ 7,384,081	168,752	304,262	155,511	628,525
Financial liabilities					
Non derivative financial liabilities mandatorily measured at fair value through profit or loss	\$ 4	-	4	-	4
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 464,943	-	-	-	-
Notes, accounts and other payables (including related parties)	3,045,672	-	-	-	-
Long-term borrowings, current portion	92,535	-	-	-	-
Long-term borrowings (including other loans)	348,783	-	-	-	-
Bonds payable	408,455	-	549,883	-	549,883
Current and non-current lease liabilities	23,013	-	-	-	-
Total	\$ 4,383,405	-	549,887	-	549,887
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	7,747,397	-	-	-	-
Total	\$ 8,002,394	149,918	48	105,031	254,997
Financial liabilities					
Financial liabilities at fair value through profit or loss					
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	5,164,968	-	1,800,809	-	1,800,809
Total	\$ 5,165,404	-	1,801,245	-	1,801,245
September 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	\$ 930,189	2,471	669,558	258,160	930,189
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	39,349	39,349	-	-	39,349
Original bonds	82,618	82,618	-	-	82,618
Subtotal	226,998	121,967	-	105,031	226,998
Financial assets measured at amortized cost					
Cash and cash equivalents	2,307,645	-	-	-	-
Notes, accounts and other receivables	3,815,119	-	-	-	-
Other financial assets-current	886,186	-	-	-	-
Refundable deposits	11,225	-	-	-	-
Subtotal	7,020,175	-	-	-	-
Total	\$ 8,177,362	124,438	669,558	363,191	1,157,187

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	September 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	\$ 2,087	-	-	2,087	2,087
Financial liabilities measured at amortized cost					
Short-term borrowings	562,788	-	-	-	-
Notes, accounts and other payables (including related parties)	2,550,232	-	-	-	-
Long-term borrowings, current portion	61,856	-	-	-	-
Long-term borrowings (including other loans)	430,988	-	-	-	-
Bonds payable	1,512,920	-	-	1,750,988	1,750,988
Current and non-current lease liabilities	29,557	-	-	-	-
Subtotal	5,148,341	-	-	1,750,988	1,750,988
Total	\$ 5,150,428	-	-	1,753,075	1,753,075

- 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 nine months ended September 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 September 30, 2024	<u>\$ 50,480</u>	<u>105,031</u>
Balance at January 1, 2023	\$ 665,904	25,031
Recognized in profit or loss	734,508	-
Disposal	(1,142,252)	-
Purchased	-	80,000
Balance at September 30, 2023	<u>\$ 258,160</u>	<u>105,031</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 September 30, 2023 was 9.12%) Lack of marketability (As of September 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 September 30, 2024, December 31, 2023 and September 30, 2023 were 1.59~2.06, 1.59~2.06 and 2.02~2.42, respectively) • Price-to-Sales Ratio (As of September 30, 2024, December 31, 2023 and September 30, 2023 were 0.59~1.48, 0.59~1.48 and 0.63~1.58, respectively) • Lack of marketability discount (As of September 30, 2024, December 31, 2023 and September 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 September 30, 2024 and December 31, 2023 were both 3.19) • Price-to-Sales Ratio (As of September 30, 2024 and December 31, 2023 were both 4.14) • Lack of marketability discount (As of September 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>
September 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)
September 30, 2023						
Financial assets at fair value through profit or lost						
Equity investments without an active market	258,160	0.5 %	1,291	(1,291)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)

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

(ac) Financial risk management

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 nine months ended September 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						September 30, 2024
	January 1, 2024	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 430,805	34,138	-	-	-	-	464,943
Long-term borrowings (including current portion)	437,792	(39,510)	250	-	802	-	399,334
Other loans (including deferred income)	92,139	-	(250)	3,714	(2,975)	-	92,628
Lease liabilities (including current portion)	31,978	(11,700)	2,307	428	-	-	23,013
Bonds payable	1,516,598	-	-	-	8,268	(1,116,411)	408,455
Total liabilities from financing activities	<u>\$ 2,509,312</u>	<u>(17,072)</u>	<u>2,307</u>	<u>4,142</u>	<u>6,095</u>	<u>(1,116,411)</u>	<u>1,388,373</u>
	Non-cash changes						September 30, 2023
	January 1, 2023	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 1,294,674	(731,886)	-	-	-	-	562,788
Long-term borrowings (including current portion)	534,549	(83,816)	-	598	1,113	-	452,444
Other loans (including deferred income)	88,775	8,989	-	1,592	(2,927)	-	96,429
Lease liabilities (including current portion)	34,751	(11,991)	6,708	89	-	-	29,557
Bonds payable	1,502,045	-	-	-	10,970	(95)	1,512,920
Total liabilities from financing activities	<u>\$ 3,454,794</u>	<u>(818,704)</u>	<u>6,708</u>	<u>2,279</u>	<u>9,156</u>	<u>(95)</u>	<u>2,654,138</u>

(Continued)

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

(7) Related-party transactions:

(a) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
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:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Associates-Meijia New Materials	\$ <u>50,548</u>	<u>68,239</u>	<u>147,714</u>	<u>192,081</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:

<u>Relationship</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
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
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(iii) Payable from Related Parties

The payable from associate were as follows:

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable	Associate - Meijia New Materials	\$ <u>75,301</u>	<u>86,394</u>	<u>72,875</u>

(c) Key management personnel compensation

Key management personnel compensation comprised the following details:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 7,814	7,396	26,370	23,050
Post-employment benefits	292	238	833	721
Other long-term employee benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 8,106</u>	<u>7,634</u>	<u>27,203</u>	<u>23,771</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Land	Bank loans	\$ 540,921	540,921	540,921
Buildings	Bank loans	271,266	621,095	630,353
Right-of-use asset	Bank loans	159,055	153,968	160,449
Restricted bank deposit (other financial assets- current and non-current)	Bank's acceptance bill, Bank loans, stand by L/C and bank guarantee	103,233	53,508	49,043
Restricted bank deposit (other non-current assets)	Performance Guarantee	1,000	1,000	-
		<u>\$ 1,075,475</u>	<u>1,370,492</u>	<u>1,380,766</u>

(Continued)

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

(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	\$ <u>66,416</u>	<u>257,498</u>	<u>293,586</u>

(b) Outstanding standby letter of credit

	September 30, 2024	December 31, 2023	September 30, 2023
Outstanding standby letter of credit	\$ <u>92,620</u>	<u>115,997</u>	<u>145,921</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 September 30					
By function	2024			2023		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	44,666	76,959	121,625	37,953	78,755	116,708
Labor and health insurance	4,399	7,819	12,218	3,798	7,015	10,813
Pension	3,836	7,535	11,371	3,360	6,816	10,176
Others	2,171	1,964	4,135	2,079	1,602	3,681
Depreciation	46,735	30,326	77,061	38,113	26,203	64,316
Amortization	-	3,104	3,104	-	881	881

(Continued)

Swancor Holding Company Limited and subsidiaries
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	For the nine months ended September 30					
	2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	127,419	248,429	375,848	116,918	232,880	349,798
Labor and health insurance	13,062	22,215	35,277	11,631	21,268	32,899
Pension	11,149	21,672	32,821	10,082	19,736	29,818
Others	6,198	5,318	11,516	5,826	4,563	10,389
Depreciation	132,469	85,616	218,085	123,843	66,529	190,372
Amortization	3	8,903	8,906	-	8,251	8,251

- (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	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 63,300	USD2,000 63,300	5.00%	2	-	Operating purpose	-	-	-	3,268,893 (Note 1)	3,268,893 (Note 1)
0	Swancor Holding	S-Wanlai	Other receivables	Yes	150,000 -	150,000 -	- -	0%	2	-	Operating purpose	-	-	-	3,268,893 (Note 1)	3,268,893 (Note 1)
1	Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite	Other receivables	Yes	RMB15,000 69,033	RMB15,000 67,751	RMB15,000 67,751	3.90%	2	-	Operating purpose	-	-	-	109,792 (Note 2)	292,778 (Note 2)
2	Swancor Highpolymer	Swancor Ind (M)	Other receivables	Yes	USD2,500 82,088	USD2,500 79,125	USD2,500 79,125	4.83~5.3%	2	-	Operating purpose	-	-	-	207,562 (Note 3)	553,500 (Note 3)
3	Swancor Tianjin	Shandong Longneng	Other receivables	Yes	RMB5,000 23,011	RMB5,000 22,584	-	0%	2	-	Operating purpose	-	-	-	153,758 (Note 4)	410,021 (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	4,086,116	260,000	170,000	20,000	-	2.08 %	8,172,232	Y	N	N
0	Swancor Holding	Sunwell (Jiangsu) Carbon Fiber Composites	2	4,086,116	396,660	336,109	168,925	-	4.11 %	8,172,232	Y	N	Y
0	Swancor Holding	Yang-Bao	1	817,223	80,000	-	-	-	- %	8,172,232	N	N	N
1	Swancor Highpolymer	Swancor Ind(M)	1	691,875	197,010	126,600	-	-	9.15 %	1,383,750	N	N	N
1	Swancor Highpolymer	Swancor Advanced Materials	2	691,875	149,184	148,596	-	-	10.74 %	1,383,750	N	Y	Y
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,693,551	938,839	632,338	47,052	-	11.20 %	2,822,585	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,693,551	1,353,144	1,124,884	54,122	-	19.93 %	2,822,585	N	N	Y
2	Swancor Advanced Materials	Swancor Ind(M)	2	1,693,551	80,947	-	-	-	- %	2,822,585	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
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- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures were not included):

(In Thousands of New Taiwan Dollars)

Name of holder	Name of security	Relationship with company	Account title	Ending balance				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	-	0.04 %	-	
Swancor Holding	Stock- Tsang Yow Industrial Co., Ltd.		Financial assets at fair value through profit or loss-current	26	749	0.03 %	749	
Swancor Holding	Stock – Aero Win Technology Corporation		Financial assets at fair value through profit or loss-current	12	462	0.02 %	462	
Swancor Holding	Stock – Koan Hau Technology Co., Ltd.		Financial assets at fair value through profit or loss-current	68	1,234	0.09 %	1,234	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through profit or loss-current	631	50,480	0.86 %	50,480	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through other comprehensive income - non-current	2,000	80,000	2.72 %	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	48,350	0.08 %	48,350	
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	-	4,307	- %	4,307	
Swancor Holding	Bonds-Citigroup Inc.		Financial assets at fair value through other comprehensive income-non-current	-	9,291	- %	9,291	
Swancor Holding	Bonds-AT & T Corporation		Financial assets at fair value through other comprehensive income-non-current	-	6,960	- %	6,960	
Swancor Holding	Stock- British Petroleum		Financial assets at fair value through other comprehensive income-non-current	-	5,829	- %	5,829	
Swancor Holding	Bonds-Hewlett Packard Company		Financial assets at fair value through other comprehensive income-non-current	-	5,528	- %	5,528	
Swancor Holding	Bonds-Saudi Aramco		Financial assets at fair value through other comprehensive income-non-current	-	16,146	- %	16,146	
Swancor Holding	Bonds-Standard & Poor's		Financial assets at fair value through other comprehensive income-non-current	-	9,543	- %	9,543	
Swancor Holding	Bonds-POSCO		Financial assets at fair value through other comprehensive income-non-current	-	14,777	- %	14,777	
Swancor Holding	Bonds-Macquarie Group Limited		Financial assets at fair value through other comprehensive income-non-current	-	6,267	- %	6,267	
Swancor Holding	Bonds-GLE		Financial assets at fair value through other comprehensive income-non-current	-	12,785	- %	12,785	
Swancor Holding	Bonds-Goldman		Financial assets at fair value through other comprehensive income-non-current	-	6,402	- %	6,402	
Swancor Holding	Bonds-Volkswagen		Financial assets at fair value through other comprehensive income-non-current	-	6,661	- %	6,661	
Swancor Holding	Bonds-Capital One Financial Corp.		Financial assets at fair value through other comprehensive income-non-current	-	6,675	- %	6,675	
Swancor Holding	Bonds-Hyundai Group		Financial assets at fair value through other comprehensive income-non-current	-	6,786	- %	6,786	

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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)	(1,019,608)	(17.67) %	90 day	Note 1	No difference	660,827	17.08 %	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	1,019,608	0.62 %	90 day	Note 1	No difference	(660,827)	(26.94) %	

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	660,827	(2.21)	-	-	166,596	-

- (ix) Information regarding trading in derivative financial instruments: None.
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the nine months ended September 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	1,019,608	The sales prices and payment terms were same as those of sales to third parties.	17.67 %
2	Swancor Advanced Materials	Swancor (Jiangsu)	3	Purchases	1,019,608	The sales prices and payment terms were same as those of sales to third parties.	17.67 %

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 nine months ended September 30, 2024.

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SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 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 %	632,456	51,283	44,319	
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100.00 %	4,403,410	USD 7,212 231,132	231,132	
Swancor Holding	Swancor Innovation & Incubation	R.O.C.	Management consulting	210,000	210,000	21,000	100.00 %	75,964	(22,705)	(22,705)	
Swancor Holding	S-Wanlai	R.O.C.	Chemical products manufacturing and processing	350,000	350,000	35,000	100.00 %	311,772	(24,876)	(24,876)	
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 233,692	USD 7,100 233,692	7,100	100.00 %	USD 112,214 3,551,576	USD 5,819 186,469	USD 5,819 186,469	
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 369,318 1,668,082	RMB 53,474 241,052	RMB 53,474 241,052	
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 %	HKD69,616 283,554	HKD 3,811 15,636	HKD 3,811 15,636	
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 %	HKD339,729 1,383,748	HKD54,938 225,384	HKD54,938 225,384	
Sunwell Carbon Fiber Composite	COTECH	R.O.C.	Producing and selling carbon composites	130,000	130,000	130,000	80.82 %	130,000	(14,632)	-	
S-Wanlai	Swancor Netherlands	Netherlands	Technical services	EUR 1,000 35,620	-	1,000	100.00 %	34,955	(419)	(419)	

Note : Each investment income is recognized based on the reviewed financial statements of each invested company in the period except of Swancor Innovation & Incubation, S-wanlai, Swancor Ind. (M), COTECH and Swancor Netherlands 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 September 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 9,300 298,046	79.21 %	USD 7,367 236,082	USD 141,817 4,488,519	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 (3,181) (14,340)	79.21 %	RMB (2,520) (11,359)	RMB 179,767 811,945	-
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 6,885 31,037	79.21 %	RMB 5,454 24,584	RMB 152,566 689,086	-
Meijia New Materials	Producing and selling of powder coating and epoxy resin	RMB 210,000 913,290	Indirectly owned by the company	-	-	-	-	RMB 3,265 14,719	18.86 %	RMB 616 2,776	RMB 158,842 717,435	-
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 7,049 31,774	72.50 %	RMB 5,110 23,037	451,869	-

(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 September 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 11,890,52,747	Indirectly owned by the company	-	-	-	-	RMB (1,068)(4,815)	43.58 %	RMB (465)(2,098)	RMB 5,918,26,731	-
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 (1,799)(8,110)	100.00%	RMB (1,799)(8,110)	33,640	-

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 September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Swancor Holding	USD7,282	USD 94,531,2,858,077	5,741,351

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	17.44 %

(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.