

Swancor Holding Company Limited

2024 Annual Shareholders' Meeting Minutes

Time and Date : 9:00 a.m. (Friday) May 31, 2024

Place : No. 588, Dongmin Rd., Nantou City

Convening Method: Physical Shareholders' Meeting

Attendance: Total shares represented by shareholders present in person or by proxy: 60,397,923 shares (including 10,103,585 shares casted electronically), percentage of shares held by shareholders present in person or by proxy: 59.23% (excluding 730,865 non-voting shares in accordance with Article 179, Paragraph 2 of the Company Act), exceeded the statutory meeting shares ; Five directors attended this regular shareholders meeting, including Chairman Jau-Yang Tsai, independent director Sheng-Chung Lin, director Kuei-Tuan Chen, director Pan-Chiang Yang and director Hsiao-Yi Tsai, which exceeded half of the eight director seats.

Other attendees: Cheng-Hsueh Chen of KPMG

Chairman : Jau-Yang Tsai, the Chairman of the Board of Directors

Recorder: Su-Chen Wu

I. Meeting commencement: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairperson's Remarks (omitted)

III. Report Items

- (1) 2023 Business Report (Please refer to Attachment)
- (2) 2023 Audit Committee's Audit Report (Please refer to Attachment)
- (3) 2023 Profit Distribution to Employees and Directors (Please refer to the shareholders meeting manual)
- (4) 2023 Directors' Remuneration Report (Please refer to the shareholders meeting manual)
- (5) Repurchase of Treasury Shares (Please refer to the shareholders meeting manual)
- (6) Status on the Issuance of 2021 3rd Domestic Secured Convertible Bond and 4th Domestic Non-secured Convertible Bond (Please refer to the shareholders meeting manual)

IV. Proposals

Case 1 (Proposed by the Board of Directors)

Cause: 2023 Business Report and Financial Statement

Notes: 1. The Company's stand-alone financial statements and consolidated financial statements (balance sheet, statement of comprehensive loss and profit, statement of changes in equity and cash flow) for 2023 were approved by the resolution of the Board of Directors on March 11, 2024, and audited by CPA Cheng-Hsueh Chen and CPA Shih-Hua, Kuo of KPMG. The above-mentioned financial statements, together with the business report, are submitted to the Audit Committee for audit. The audit has been completed and a written audit report has been issued.

2. Please refer to attachment for 2023 Business Report, the audit report of the CPAs and the above-mentioned forms and lists.

3. The proposal is hereby submitted to the shareholders meeting for ratification.

Voting Results:

Shares represented at the time of voting : 60,397,923

Voting Results*	% of the total represented share present
Votes in favor : 56,904,350 votes (6,616,363 votes)	94.21%
Votes against : 21,005 votes (21,005 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 3,472,568 votes (3,466,217 votes)	5.74%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the 2023 Business Report and Financial Statement be and hereby were accepted as submitted.

Case 2 (Proposed by the Board of Directors)

Cause: Earning Distribution in 2023.

Note: 1.The Company's 2023 earning distribution table is as follows:

Earning distribution table
of Swancor Holding Co., Ltd.
2023

Unit: NT\$

Item	
	Total
Distributable earnings	
(1) Beginning balance of retained earnings	1,320,925,665
(2) Net Income for the current period	1,256,498,342
Total	2,577,424,007
Distribution items	
(1) Legal reserve	125,649,834
(2) Special reserve	107,764,387
(3) Shareholders' dividend - cash (NT\$5 per share)	487,527,315
(4) Undistributed surplus at the end of the period	1,856,482,471
Total	2,577,424,007

Chairman of the board: Jau-Yang Tsai General Manager: Jau-Yang Tsai Accounting supervisor: Chia-Min Hung

2. For this period's motion to distribute cash dividends NT\$487,527,315, the dividend will be calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down. Shares below one dollar NTD will be adjusted from the largest decimal place, until the total amount of cash dividend has been distributed. After the approval of this shareholders' meeting, the Board of Directors shall be authorized to set the base date and payment date for dividend distribution.
3. If the change of the Company's share capital affects the number of outstanding shares

and leads to the change and amendment of shareholder dividend ratio, Board of Directors shall be authorized to handle the changes.

4. The Company's 2023 earnings shall be distributed first.

5. The proposal is hereby submitted to the shareholders' meeting for ratification.

Summary of motion:

1. Shareholders proposed to increase the cash dividend to NT\$6 per share.
2. The chairman calculated the company's working capital based on the financial unit. In return to shareholders for their long-term support to the company, the chairman proposed to approve the 2023 earnings distribution amendment. After the amendment, the total amount of cash dividends distributed is NT\$585,032,778, with NT\$6 per share. The revised earnings distribution table for 2023 is as follows

Earning distribution table
of Swancor Holding Co., Ltd.
(After the amendment)

2023

Unit: NT\$

Item	
	Total
Distributable earnings	
(3) Beginning balance of retained earnings	1,320,925,665
(4) Net Income for the current period	1,256,498,342
Total	2,577,424,007
Distribution items	
(5) Legal reserve	125,649,834
(6) Special reserve	107,764,387
(7) Shareholders' dividend - cash (NT\$6 per share)	585,032,778
(8) Undistributed surplus at the end of the period	1,758,977,008
Total	2,577,424,007

Chairman of the board: Jau-Yang Tsai General Manager: Jau-Yang Tsai Accounting supervisor: Chia-Min Hung

Voting Results:

Shares represented at the time of voting : 60,397,923

Voting Results*	% of the total represented share present
Votes in favor : 50,287,987 votes (0 votes)	83.26%
Votes against : 0 votes (0 votes)	0.00%
Votes invalid : 0 vote	0.00%
Votes abstained : 10,109,936 votes (10,103,585 votes)	16.73%

*including votes casted electronically (numbers in brackets)

RESOLVED, that after the amendment Earning Distribution in 2023 be and hereby were accepted as submitted.

V. Extraordinary Motions : None

VI. Adjournment

The meeting was adjourned at 9:16 am, which was approved by all shareholders present without objection.

There were no questions from shareholders at the shareholders meeting.

(Attachments)

2024 Business Report

Swancor Holding Company Limited (hereinafter referred to as "Swancor Holdings") is an investment holding company. Its main subsidiaries are Swancor Advanced Materials Co., Ltd. (hereinafter referred to as "Swancor Advanced Materials"), Sunwell Carbon Fiber Composite Corporation (hereinafter referred to as "Swancor Carbon Fiber"), and Swancor Innovation & Incubation Co., Ltd. (hereinafter referred to as "Swancor Innovation & Incubation"). Its main businesses include the research and development of precision chemicals, carbon composite materials, and innovative materials as well as new business incubation.

Swancor Holdings established the integrated industrial structure and independent development strategies by focusing on combining precision chemicals and composite materials with green energy and carbon-neutral industries to enhance its overall operating performance and market competitiveness.

I. Operating results in 2023:

The consolidated turnover of Swancor Holding was NT\$7.295 billion, net profit after tax (attributable to the parent company) was NT\$1.256 billion, and earnings per share (attributable to the parent company) was NT\$12.88.

II. Business plan and strategy for 2024:

Swancor, as an Investment Holding Company, outlines below the strategic directions and plans for its principal product categories for fiscal year 2024.

1. Anti-corrosion resin:

China: Aligned with the environmental protection directives of China, the Company proactively captures business opportunities across various environmental application sectors, enhancing supply chain management to deliver competitively superior products to clients. It extends its outreach to clients in the composite materials sector and maintains its developmental focus on innovation in products and applications. The Company bolsters its geographical expansion strategy, intensifying sales initiatives in peripheral regions through distributors, thereby augmenting its market presence and sustaining revenue growth.

Global: Leveraging successful market strategies from Taiwan and China, the Company allocates resources to strategically initiate regional projects. In collaboration with distributors, it cultivates markets in Southeast Asia, India, and the Middle East, aiming to elevate market penetration. It advances the application of HYVER in maritime industries and establishes production partnerships with strategic allies in Europe and North America to enhance its competitive edge, increase market share, and boost profitability. The Company established a subsidiary in the Netherlands to provide proximate technical services and collaborate with European academic and research institutions, integrating materials from the product development phase.

The medium and long-term goal of anti-corrosion material business unit is to achieve the No. 1 market share in Asian market.

2. Eco-friendly green energy materials:

China: The Company keeps abreast of industry market trends and government policies, continuously strengthening strategic alliances with complete machine manufacturers in China to enhance technical service capabilities and brand strength. It is dedicated

to acquiring new clients and increasing market penetration. Capitalizing on its capacity across multiple locations, the Company collaborates closely with clients who are expanding in the international market.

Global: Capitalizing on its capacity across multiple locations, the Company collaborates closely with clients who are expanding in the international market. The Company is committed to cultivating new clients and establishing production cooperation with strategic partners in Europe to enhance competitiveness through proximate service and supply. Concurrently, it seizes opportunities in emerging industries such as offshore wind power in Taiwan, continuously exploring new application opportunities, increasing market share, and enhancing profitability.

In the medium and long term, our goal is to become a technology leader in wind turbine blade materials.

3. Carbon Fiber Composite:

Mainly pultruded plates and prepreg sheets:

Pultruded plates: The products have been certified by leading international wind turbine manufacturers and major customers in China and have received orders from them. The products are mainly used for wind turbine blade spars. Swancor will continue to refine its product quality, improve its yield of products and technological capabilities, and actively explore and obtain accreditation from new customers to ensure the stable supply of upstream carbon and glass fibers and accelerate sustainable growth.

Prepreg sheets: We will actively explore new customers and applications outside of wind power industry, increase capacity utilization rate, and develop innovative recyclable prepreg sheets in combination with recyclable resins to accelerate sustainable growth.

In addition to the sustainable development of the two major products, we will integrate the resources of Cotech Inc. and move from materials to carbon fiber molded components, so as to exploit the combined effect and develop more customers for carbon fiber composite material applications in aerospace industry and new energy vehicles. We are also actively developing new products as a new growth engine.

4. Circular Recycled Materials:

The introduction of new products such as EzCiclo and CleaVER marks the beginning of diversified development in application fields including recyclable resins, recyclable pre-impregnated fabrics, recyclable extruded sheets, etc. These products are applicable across various composite materials. A distinguishing feature of these products is their durability and the capability to be recycled and degraded using CleaVER upon reaching the end of their useful life, thus achieving sustainable circular use. Additionally, the Company has developed various maritime applications for the recycled low-carbon materials recovered post-recycling, completing the circular economy loop for EzCiclo.

In the coming year, building on the business foundations developed over the past few years, we will pursue a dual-strategy focus on solidifying core operations and developing new ventures. The mass production and diverse application of EzCiclo and CleaVER will be emphasized, aiming to position ourselves as a leading company in green circular materials. We will further deepen and expand academic-industrial collaborations with a research and development focus on carbon neutrality, carbon capture, storage, reuse, and carbon fiber recycling applications, committing to research and development related to carbon neutrality. Supported by proactive investments in carbon-neutral related

enterprises, we are earnestly developing the circular economy, aspiring to become experts in carbon reduction committed to carbon neutrality.

Swancor Holdings plans to merge companies with excellent teams and products, in the hope to generate synergy and strengthen competitiveness to accomplish its mission of “Devoted to carbon neutrality and new materials innovation” and lay a broader foundation for corporate sustainability and profitability.

Chairman: Jau-Yang Tsai

General Manager: Jau-Yang Tsai

Accounting supervisor: Chia-Min Hung

Audit Committee's Audit Report

We have audited the Company's 2023 financial statements (including consolidated financial statements), business report and earnings distribution proposal submitted by the board of directors, of which the 2023 financial statements (including consolidated financial statements) have been audited by CPAs Cheng-Hsueh Chen and Shih-Hua, Kuo of KPMG, and the audit report was presented. The above financial statements (including consolidated financial statements), business report and earnings distribution statement for 2023 have been audited by the Audit Committee, and it is found that there is no discrepancy. Therefore, the report shall be prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

Sincerely,

Swancor Holding Co., Ltd. 2024 General Shareholders' Meeting

Swancor Holding Company Limited

Convener of the Audit Committee: Sheng-Chung Lin

March 11, 2024

Independent Auditors’ Report

To the Board of Directors of Swancor Holding Company Limited:

Opinion

We have audited the financial statements of Swancor Holding Company Limited (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Evaluation of investments accounted for using the equity method

Please refer to Note 4(g) “Investment in associates” and Note 6(e) “Investments accounted for using the equity method” to the financial statements.

Description of key audit matter:

The investments in its subsidiaries accounted for using the equity method constitute 56% of the total assets of the Company and the amount is material. As a result, the evaluation of investments accounted for using the equity method is our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included: Recalculating the shares of profit or loss of associates and subsidiaries in accordance with ownership percentage of shares; confirming the information of long-term equity investments by confirmation letter; discussing with the management about the evaluation of subsidiary-related significant matters, as well as understanding the reasonableness of the subsidiary's revenue recognition, valuation of impairment for accounts receivable and inventories; considering the adequacy of the Company's disclosures on its accounts.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method in order to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hsueh, Chen and Shyh-Huar, Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only 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' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 941,881	10	1,359,458	16	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (n))	\$ 436	-	3,208	-
1110	Current financial assets at fair value through profit or loss (note 6(b))	2,586	-	2,051	-	2200	Other payables (note 6(l) and (p))	132,146	2	104,117	1
1200	Other receivables (note 6(d))	3,452	-	2,051	-	2230	Current tax liabilities	129,920	1	58,799	1
1210	Other receivables from related parties (note 6(d) and 7)	65,624	1	68,221	1	2399	Other current liabilities, others (note 6(l))	320	-	523	-
1410	Prepayments	53,016	-	32,876	-	2321	Bonds payable, current portion (note 6(n) and 8)	1,516,598	16	-	-
1479	Other current assets (note 6(k) and 8)	1,945	-	1,665	-	2280	Current lease liabilities (note 6(o))	2,116	-	351	-
1476	Other current financial assets (note 6(k) and 8)	896,000	10	1,000	-		Total current liabilities	1,781,536	19	166,998	2
Total current assets		1,964,504	21	1,467,322	17	Non-Current liabilities:					
Non-current assets:											
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	-	-	665,904	8	2530	Bonds payable (note 6(n) and 8)	-	-	1,502,045	17
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	252,363	3	109,662	2	2540	Long-term borrowings (note 6(m) and 8)	191,220	2	203,515	2
1550	Investments accounted for using equity method (note 6(e))	5,214,823	56	4,826,532	56	2570	Deferred income tax liabilities (note 6(q))	34,996	-	54,903	1
1600	Property, plant and equipment (note 6(h) and 8)	1,882,221	20	1,476,779	17	2670	Other non-current liabilities, others (note 6(l))	738	-	591	-
1755	Right-of-use assets (note 6(i) and 8)	2,312	-	343	-	2580	Non-current lease liabilities (note 6(o))	172	-	-	-
1780	Intangible assets (note 6(j))	1,174	-	1,955	-		Total non-current liabilities	227,126	2	1,761,054	20
1840	Deferred tax assets (note 6(q))	15,561	-	21,663	-		Total liabilities	2,008,662	21	1,928,052	22
1990	Other non-current assets, others (note 6(k))	36,471	-	16,107	-	Equity (note 6(r)):					
Total non-current assets		7,404,925	79	7,118,945	83	3100	Ordinary shares	985,601	11	981,311	12
						3200	Capital surplus (note 6(n))	3,570,421	38	3,533,803	41
						3300	Retained earnings	3,307,547	36	2,538,139	30
						3400	Other equity	(455,501)	(5)	(347,737)	(4)
						3500	Treasury shares	(47,301)	(1)	(47,301)	(1)
							Total equity	7,360,767	79	6,658,215	78
Total assets		\$ 9,369,429	100	8,586,267	100	Total liabilities and equity		\$ 9,369,429	100	8,586,267	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Swancor Holding Company Limited
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note 6(b), (c) and (u))	\$ 171,646	100	362,993	100
5000	Operating costs	-	-	-	-
	Gross profit from operations	171,646	100	362,993	100
	Operating expenses (note 6(j), (q), (v) and 7):				
6200	Administrative expenses	80,323	47	109,205	30
6300	Research and development expenses	404	-	1,981	-
		80,727	47	111,186	30
	Net operating income	90,919	53	251,807	70
	Non-operating income and expenses (note 6(w)):				
7100	Interest income (note 7)	36,898	21	19,380	5
7010	Other income and expenses (note 7)	23,491	14	38,694	11
7020	Other gains and losses (note 6(n))	1,188,087	692	705,675	194
7050	Finance Costs (note 6(n) and (o))	(7,256)	(4)	(15,832)	(4)
		1,241,220	723	747,917	206
	Profit before income tax	1,332,139	776	999,724	276
7950	Income tax expenses (note 6(q))	75,640	44	96,571	27
	Profit	1,256,499	732	903,153	249
8300	Other comprehensive income (note 6(r)):				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(70,767)	(41)	53,910	15
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	449	-	(10,280)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(70,318)	(41)	43,630	12
8300	Other comprehensive income for the year, net of tax	(70,318)	(41)	43,630	12
	Total comprehensive income for the year, net of tax	\$ 1,186,181	691	946,783	261
	Earnings per share (NT Dollars) (note 6(u))				
9750	Basic earnings per share	\$ 12.88		9.48	
9850	Diluted earnings per share	\$ 11.04		8.07	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total	Treasury shares	Total equity
Balance at January 1, 2022	\$ 935,046	3,161,540	273,481	418,835	1,081,857	1,774,173	(387,002)	(4,365)	-	(391,367)	(47,301)	5,432,091
Profit for the year	-	-	-	-	903,153	903,153	-	-	-	-	-	903,153
Other comprehensive income for the year	-	-	-	-	-	-	53,910	(10,280)	-	43,630	-	43,630
Total comprehensive income for the year	-	-	-	-	903,153	903,153	53,910	(10,280)	-	43,630	-	946,783
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	18,593	-	(18,593)	-	-	-	-	-	-	-
Special reserve	-	-	-	(27,468)	27,468	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(139,187)	(139,187)	-	-	-	-	-	(139,187)
Conversion of convertible bonds	46,265	369,564	-	-	-	-	-	-	-	-	-	415,829
Share-based payments	-	2,699	-	-	-	-	-	-	-	-	-	2,699
Balance at December 31, 2022	\$ 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
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
Profit for the year	-	-	-	-	1,256,499	1,256,499	-	-	-	-	-	1,256,499
Other comprehensive income for the year	-	-	-	-	-	-	(70,767)	449	-	(70,318)	-	(70,318)
Total comprehensive income for the year	-	-	-	-	1,256,499	1,256,499	(70,767)	449	-	(70,318)	-	1,186,181
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)
Conversion of convertible bonds	11	84	-	-	-	-	-	-	-	-	-	95
Issuance of restricted employee stock	4,279	33,167	-	-	-	-	-	-	(37,446)	(37,446)	-	-
Changes in ownership interests in subsidiaries	-	522	-	-	-	-	-	-	-	-	-	522
Share-based payments	-	2,845	-	-	-	-	-	-	-	-	-	2,845
Balance at December 31, 2023	\$ 985,601	3,570,421	382,389	347,737	2,577,421	3,307,547	(403,859)	(14,196)	(37,446)	(455,501)	(47,301)	7,360,767

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Swancor Holding Company Limited

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,332,139	999,724
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	12,171	12,723
Amortization expenses	781	2,238
Interest expense	7,256	15,832
Interest income	(36,898)	(19,380)
Dividend income	(2,049)	(65,224)
Net gains on financial assets or liabilities at fair value through profit or loss	(1,207,475)	(648,691)
Share of profit of associates and joint ventures accounted for using equity method	(169,597)	(297,769)
Gain on disposal of property, plant and equipment	(7,296)	(7,311)
Gain on disposal of intangible assets	(912)	(912)
Decrease in cash surrender value of life insurance	-	(11,683)
Other adjustments to reconcile profit	-	(4,449)
Total adjustments to reconcile loss	<u>(1,404,019)</u>	<u>(1,024,626)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in other receivables	(790)	(84)
Decrease in other receivables due from related parties	2,597	162,957
Increase in prepayments	(20,140)	(19,415)
(Increase) decrease in other financial assets	(895,000)	400,029
Increase in other operating assets	(1,736)	(230)
Total changes in operating assets	<u>(915,069)</u>	<u>543,257</u>
Changes in operating liabilities:		
Increase in other payables	43,313	78,534
Decrease (increase) in other operating liabilities	(203)	387
Total changes in operating liabilities	<u>43,110</u>	<u>78,921</u>
Total adjustments	<u>(2,275,978)</u>	<u>(402,448)</u>
Cash (outflow) inflow generated from operations	(943,839)	597,276
Dividends received	31,313	65,224
Interest received	36,536	18,360
Interest paid	(7,892)	(16,155)
Income taxes paid	(18,324)	(63,770)
Net cash flows (used in) from operating activities	<u>(902,206)</u>	<u>600,935</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	1,870,118	609,020
Acquisition of financial assets at fair value through other comprehensive income	(148,719)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,172	-
Acquisition of investments accounted for using the equity method	(307,150)	(400,000)
Acquisition of property, plant and equipment	(415,368)	(419,739)
Increase in refundable deposits	(1,123)	-
Acquisition of intangible assets	-	(397)
Increase in prepayments for business facilities	(17,785)	(13,469)
Proceeds from disposal of cash surrender value of life insurance	-	68,023
Net cash flow from (used in) investing activities	<u>986,145</u>	<u>(156,562)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	330,000
Decrease in short-term borrowings	-	(830,000)
Repayments of long-term borrowings	(12,295)	(10,000)
Increase in guarantee deposits received	147	8
Repayments of lease liabilities	(2,277)	(2,528)
Cash dividends paid	(487,091)	(139,187)
Net cash flow used in financing activities	<u>(501,516)</u>	<u>(651,707)</u>
Net decrease in cash and cash equivalents	<u>(417,577)</u>	<u>(207,334)</u>
Cash and cash equivalents at beginning of period	<u>1,359,458</u>	<u>1,566,792</u>
Cash and cash equivalents at end of period	<u><u>\$ 941,881</u></u>	<u><u>1,359,458</u></u>

See accompanying notes to parent company only financial statements.

Independent Auditors’ Report

To the Board of Directors of Swancor Holding Company Limited:

Opinion

We have audited the consolidated financial statements of Swancor Holding Company Limited ("the Company") and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

Refer to Note 4(n) “Revenue” and Note 6(ab) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Evaluation of Accounts receivable

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Assessment of Inventories

The accounting principle of inventories, refer to consolidated financial statements Note 4 (h) "inventories" , the assessment of accounting estimate and assumption uncertainty, refer to consolidated financial statements Note 5 (b); the explanation of inventories assessment refers to consolidated financial statements Note 6 (f).

Description of key audit matter:

The Group's inventories are measured at the lower of cost and net realizable value. However, the cost of inventories might exceed its net realizable value due to the rapid advancement of technology and the changes in market demand. Therefore, inventories evaluation is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included conducting sampling to examine accuracy of inventory aging; assessing the Group's inventories decline or rationality of debt ratio; examining accuracy of allowance amount of inventories of past years, and comparing with this period; assessing whether estimation method this period presents fairly; examining whether the valuation of inventories is in compliance with the accounting policies of the Group; understanding the basis of the selling price the management used to ensure the reasonableness of net realizable value of inventories to determine the sufficiency of allowance of inventories and whether the related disclosures are appropriate.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Cheng-Hsueh and Kuo, Shyh-Huar.

KPMG

Taipei, Taiwan (Republic of China)

March 11, 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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

Swancor Holding Company Limited and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 3,065,552	22	2,527,070	18	2100	Short-term borrowings (note 6(p) and 8)	\$ 430,805	3	1,294,674	9
1110	Current financial assets at fair value through profit or loss (note 6(b) and 6(s))	2,634	-	2,051	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (s))	436	-	3,761	-
1150	Notes receivable, net (note 6(d))	978,783	7	2,452,806	17	2130	Current contract liabilities (note 6(ab))	10,681	-	35,333	-
1170	Accounts receivable, net (note 6(d))	2,102,766	15	2,476,625	18	2150	Notes payable	163,025	1	426,615	3
1200	Other receivables (note 6(e))	10,073	-	4,064	-	2170	Accounts payable	1,911,343	13	1,707,700	12
1220	Current tax assets	37,871	-	9,311	-	2180	Accounts payable to related parties (note 7)	86,394	1	4,318	-
130X	Inventories (note 6(f))	722,625	5	899,451	6	2200	Other payables (note 6(q))	542,738	4	439,224	3
1410	Prepayments	48,385	-	43,792	-	2220	Other payables to related parties (note 7)	5,000	-	5,000	-
1479	Other current assets (note 6(o))	99,427	1	59,459	-	2230	Current tax liabilities	250,246	2	129,126	1
1476	Other current financial assets (note 6(o) and 8)	1,573,380	11	156,070	1	2399	Other current liabilities (note 6(q) and (v))	38,071	-	60,289	-
Total current assets		8,641,496	61	8,630,699	60	2321	Bonds payable, current portion (note 6(s) and 8)	1,516,598	10	-	-
Non-current assets:						2322	Long-term borrowings, current portion (note 6(r) and8)	80,063	1	62,304	1
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	-	-	665,904	5	2280	Current lease liabilities (note 6(t))	16,532	-	16,784	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	252,363	2	109,662	1	Total current liabilities		5,051,932	35	4,185,128	29
1550	Investments accounted for using equity method (note 6(g))	881,689	6	920,162	6	Non-Current liabilities:					
1600	Property, plant and equipment (note 6(l) and 8)	3,852,977	27	3,469,962	24	2530	Bonds payable (note 6(s) and 8)	-	-	1,502,045	11
1755	Right-of-use assets (note 6(m) and 8)	239,184	2	251,517	2	2540	Long-term borrowings (note 6(r) and8)	397,024	3	510,896	4
1780	Intangible assets (note 6(n))	47,530	-	53,917	-	2550	Non-current provisions (note 6(u))	7,900	-	7,900	-
1840	Deferred tax assets (note 6(x))	156,792	1	91,058	1	2570	Deferred income tax liabilities (note 6(x))	85,196	1	56,637	-
1990	Other non-current assets (note 6(o) and 8)	201,040	1	81,214	1	2670	Other non-current liabilities, others (note 6(q) and (v))	50,172	-	46,055	-
Total non-current assets		5,631,575	39	5,643,396	40	2580	Non-current lease liabilities (note 6(t))	15,446	-	17,967	-
						Total non-current liabilities		555,738	4	2,141,500	15
						Total liabilities		5,607,670	39	6,326,628	44
						Equity attributable to owners of parent (note 6(y)):					
						3100	Ordinary shares	985,601	7	981,311	7
						3200	Capital surplus (note 6(z))	3,570,421	25	3,533,803	25
						3300	Retained earnings	3,307,547	23	2,538,139	18
						3400	Other equity	(455,501)	(3)	(347,737)	(3)
						3500	Treasury shares	(47,301)	-	(47,301)	-
						Total equity attributable to owners of parent:		7,360,767	52	6,658,215	47
						36xx	Non-controlling interests (note 6(j))	1,304,634	9	1,289,252	9
						Total equity		8,665,401	61	7,947,467	56
						Total liabilities and equity		\$ 14,273,071	100	14,274,095	100
Total assets		\$ 14,273,071	100	14,274,095	100						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note 6(ab))	\$ 7,294,813	100	9,771,454	100
5000	Operating costs (note 6(f), (w) and 7)	5,960,308	82	8,243,020	84
	Gross profit from operations	1,334,505	18	1,528,434	16
	Operating expenses (note 6(w), (ac) and 7):				
6100	Selling expenses	466,504	6	418,344	4
6200	Administrative expenses	382,321	5	435,407	5
6300	Research and development expenses	249,309	4	214,300	2
6450	Impairment loss (gain) determined in accordance with IFRS 9 (note 6(d))	6,263	-	(13,100)	-
		1,104,397	15	1,054,951	11
	Net operating income	230,108	3	473,483	5
	Non-operating income and expenses (note 6(ad)):				
7100	Interest income	54,993	1	19,798	-
7010	Other income and expenses	35,159	-	40,847	1
7020	Other gains and losses (note 6 (i) and (k))	1,200,788	17	697,675	7
7050	Finance Costs (note 6(s) and (t))	(49,586)	(1)	(81,105)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(g))	(23,355)	-	(4,371)	-
		1,217,999	17	672,844	7
	Profit before income tax	1,448,107	20	1,146,327	12
7950	Income tax expenses (note 6(x))	166,109	3	186,348	2
	Profit	1,281,998	17	959,979	10
8300	Other comprehensive income (note 6(y)):				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(94,400)	(1)	70,194	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	449	-	(10,280)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income for the year, net of tax	(93,951)	(1)	59,914	1
	Total comprehensive income for the period, net of tax	\$ 1,188,047	16	1,019,893	11
	Profit attributable to:				
8610	Owners of parent	1,256,499	17	903,153	9
8620	Non-controlling interests (note 6(j))	25,499	-	56,826	1
		\$ 1,281,998	17	959,979	10
	Comprehensive income attributable to:				
8710	Owners of parent	1,186,181	16	946,783	10
8720	Non-controlling interests (note 6(j))	1,866	-	73,110	1
		\$ 1,188,047	16	1,019,893	11
	Earnings per share (NT Dollars) (note 6(aa))				
9750	Basic earnings per share	\$ 12.88		9.48	
9850	Diluted earnings per share	\$ 11.04		8.07	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Swancor Holding Company Limited and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Retained earnings						Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	\$ 935,046	3,161,540	273,481	418,835	1,081,857	1,774,173	(387,002)	(4,365)	-	(391,367)	(47,301)	5,432,091	1,128,235	6,560,326
Profitfor the year	-	-	-	-	903,153	903,153	-	-	-	-	-	903,153	56,826	959,979
Other comprehensive incomefor the year	-	-	-	-	-	-	53,910	(10,280)	-	43,630	-	43,630	16,284	59,914
Total comprehensive income for the year	-	-	-	-	903,153	903,153	53,910	(10,280)	-	43,630	-	946,783	73,110	1,019,893
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	18,593	-	(18,593)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(27,468)	27,468	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(139,187)	(139,187)	-	-	-	-	-	(139,187)	-	(139,187)
Conversion of convertible bonds	46,265	369,564	-	-	-	-	-	-	-	-	-	415,829	-	415,829
Share-based payments transactions	-	2,699	-	-	-	-	-	-	-	-	-	2,699	656	3,355
Due to the acquisition of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	87,251	87,251
Balance at December 31, 2022	\$ 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
Balance at January 1, 2023	\$ 981,311	3,533,803	292,074	391,367	1,854,698	2,538,139	(333,092)	(14,645)	-	(347,737)	(47,301)	6,658,215	1,289,252	7,947,467
Profit for the year	-	-	-	-	1,256,499	1,256,499	-	-	-	-	-	1,256,499	25,499	1,281,998
Other comprehensive incomefor the year	-	-	-	-	-	-	(70,767)	449	-	(70,318)	-	(70,318)	(23,633)	(93,951)
Total comprehensive income for the year	-	-	-	-	1,256,499	1,256,499	(70,767)	449	-	(70,318)	-	1,186,181	1,866	1,188,047
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	90,315	-	(90,315)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(43,630)	43,630	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(487,091)	(487,091)	-	-	-	-	-	(487,091)	-	(487,091)
Conversion of convertible bonds	11	84	-	-	-	-	-	-	-	-	-	95	-	95
Issuance of restricted employee stock	4,279	33,167	-	-	-	-	-	-	(37,446)	(37,446)	-	-	-	-
Changes in ownership interests in subsidiaries	-	522	-	-	-	-	-	-	-	-	-	522	(522)	-
Share-based payments transactions	-	2,845	-	-	-	-	-	-	-	-	-	2,845	745	3,590
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	13,293	13,293
Balance at December 31, 2023	\$ 985,601	3,570,421	382,389	347,737	2,577,421	3,307,547	(403,859)	(14,196)	(37,446)	(455,501)	(47,301)	7,360,767	1,304,634	8,665,401

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 years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,448,107	1,146,327
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	254,607	251,362
Amortization expenses	11,954	10,956
Expected credit losses (gains)	6,263	(13,100)
Net gains on financial assets or liabilities at fair value through profit	(1,215,883)	(650,607)
Interest expense	49,586	81,105
Interest income	(54,993)	(19,798)
Dividend income	(2,049)	(65,225)
Share-based payment transactions	3,590	3,355
Share of loss of associates and joint ventures accounted for using equity method	23,355	4,371
(Gains) losses on disposal of property, plant and equipment	(141)	9,707
Increase in cash surrender value of life insurance	-	(11,683)
Amortization of deferred income	(5,267)	(4,374)
Gains on lease modification	(237)	(32)
Other adjustments to reconcile profit	-	(4,449)
Total adjustments to reconcile profit	(929,215)	(408,412)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	1,473,055	(318,633)
Decrease in accounts receivable	368,564	442,674
Decrease (increase) in other receivables	4,089	(3,014)
Decrease in inventories	176,826	343,537
Increase in prepayments	(4,593)	(4,945)
(Increase) decrease in other operating assets	(39,449)	51,970
Total changes in operating assets	1,978,492	511,589
Changes in operating liabilities:		
Decrease in notes payable	(263,590)	(137,487)
Increase (decrease) in accounts payable	203,643	(533,545)
Increase (decrease) in accounts payable to related parties	82,076	(25,205)
Increase in other payables	72,960	27,535
Decrease in other payable to related parties	-	(5,029)
Decrease in provisions	-	(18,530)
(Decrease) increase in other operating liabilities	(45,560)	51,148
Total changes in operating liabilities	49,529	(641,113)
Total adjustments	1,098,806	(537,936)
Cash inflow generated from operations	2,546,913	608,391
Dividends received	2,049	65,225
Interest received	55,242	20,232
Interest paid	(33,320)	(61,529)
Income taxes paid	(126,985)	(96,264)
Net cash flows from operating activities	2,443,899	536,055
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,172	-
Acquisition of financial assets at fair value through other comprehensive income	(148,822)	-
Proceeds from disposal of financial assets at fair value through profit or loss	1,870,118	748,506
Acquisition of financial assets at fair value through profit or loss	(1,238)	(137,017)
Acquisition of property, plant and equipment	(614,708)	(665,369)
Proceeds from disposal of property, plant and equipment	26,647	56,463
(Increase) decrease in refundable deposits	(1,825)	1,257
Acquisition of intangible assets	(3,625)	(32,167)
Net cash flow from acquisition of subsidiaries	-	54,212
(Increase) decrease in other financial assets	(1,416,260)	407,674
Increase in prepayments for business facilities	(147,902)	(34,261)
Proceeds from disposal of cash surrender value of life insurance	-	68,023
Net cash flow (used in) from investing activities	(431,443)	467,321
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	959,501	2,638,918
Decrease in short-term borrowings	(1,823,370)	(3,636,511)
Proceeds from long-term borrowings	-	255,520
Repayments of long-term borrowings	(97,679)	(163,990)
Increase in guarantee deposits received	87	279
Decrease in other payable to related parties	-	(9,643)
Repayments of lease liabilities	(15,314)	(10,673)
Cash dividends paid	(487,091)	(139,187)
Increase in deferred income	8,670	20,434
Change in non-controlling interests	13,293	-
Net cash flow used in financing activities	(1,441,903)	(1,044,853)
Effect of exchange rate changes on cash and cash equivalents	(32,071)	37,588
Net increase (decrease) in cash and cash equivalents	538,482	(3,889)
Cash and cash equivalents at beginning of period	2,527,070	2,530,959
Cash and cash equivalents at end of period	\$ 3,065,552	2,527,070

See accompanying notes to consolidated financial statements.