

(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 Three Months Ended March 31, 2025 and 2024**

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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.

Table of contents

| Contents | Page |
|---|-------|
| 1. Cover Page | 1 |
| 2. Table of Contents | 2 |
| 3. Independent Auditors' Review Report | 3 |
| 4. Consolidated Balance Sheets | 4 |
| 5. Consolidated Statements of Comprehensive Income | 5 |
| 6. Consolidated Statements of Changes in Equity | 6 |
| 7. Consolidated Statements of Cash Flows | 7 |
| 8. Notes to the Consolidated Financial Statements | |
| (1) Company history | 8 |
| (2) Approval date and procedures of the consolidated financial statements | 8 |
| (3) New standards, amendments and interpretations adopted | 8~10 |
| (4) Summary of material accounting policies | 10~12 |
| (5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty | 12~13 |
| (6) Explanation of significant accounts | 13~44 |
| (7) Related-party transactions | 44~46 |
| (8) Pledged assets | 46 |
| (9) Significant commitments and contingencies | 46~47 |
| (10) Losses Due to Major Disasters | 47 |
| (11) Subsequent Events | 47 |
| (12) Other | 47 |
| (13) Other disclosures | |
| (a) Information on significant transactions | 48~50 |
| (b) Information on investees | 51 |
| (c) Information on investment in Mainland China | 51~52 |
| (14) Segment information | 52 |



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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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, 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 \$1,404,601 thousand and \$1,312,118 thousand, constituting 9.30% and 8.87% of the consolidated total assets; and the total liabilities amounting to \$598,532 thousand and \$344,355 thousand, constituting 10.91% and 6.20% of the consolidated total liabilities of March 31, 2025 and 2024, respectively; as well as the total comprehensive income amounting to \$(2,826) thousand and \$(15,272) thousand, constituting (1.94)% and (5.47)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Expect, 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 \$865,677 thousand and \$911,378 thousand as of March 31, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$(7,107) thousand and \$(5,795) thousand for the three months ended March 31, 2025 and 2024 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 Chang, Tzu-Hsin and Chen, Yen-Hui.

KPMG

Taipei, Taiwan (Republic of China)

May 8, 2025

Notes to Readers

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

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

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

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

| | | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | | | | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|-----------------------------|--|----------------------|------------|-------------------|------------|-------------------|------------|
| Assets | | Amount | % | Amount | % | Amount | % | Liabilities and Equity | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | Current liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | \$ 1,450,703 | 10 | 2,060,652 | 14 | 2,237,162 | 15 | 2100 | Short-term borrowings (note 6(l) and 8) | \$ 628,035 | 4 | 643,171 | 4 | 409,906 | 3 |
| 1110 | Current financial assets at fair value through profit or loss (note 6(b) and (o)) | 650,878 | 4 | 2,722 | - | 299,322 | 2 | 2130 | Current contract liabilities (note 6(x)) | 14,285 | - | 85,429 | 1 | 16,464 | - |
| 1150 | Notes receivable, net (note 6(d)) | 1,482,851 | 10 | 1,590,581 | 11 | 1,042,048 | 7 | 2150 | Notes payable | 789,267 | 5 | 515,451 | 3 | 420,079 | 3 |
| 1170 | Accounts receivable, net (note 6(d)) | 2,078,416 | 14 | 2,210,614 | 15 | 2,287,884 | 16 | 2170 | Accounts payable | 2,193,684 | 15 | 2,114,748 | 14 | 1,969,606 | 13 |
| 1200 | Other receivables | 24,145 | - | 2,318 | - | 16,987 | - | 2180 | Accounts payable to related parties (note 7) | 69,579 | 1 | 122,302 | 1 | 54,726 | - |
| 1220 | Current tax assets | 2,875 | - | 3,345 | - | 11,282 | - | 2200 | Other payables (note 6(m)) | 475,055 | 3 | 562,206 | 4 | 513,749 | 4 |
| 130X | Inventories (note 6(e)) | 1,136,475 | 8 | 1,051,948 | 7 | 777,973 | 5 | 2220 | Other payables to related parties (note 7) | 5,000 | - | 5,000 | - | 5,000 | - |
| 1410 | Prepayments | 56,783 | - | 62,580 | - | 39,155 | - | 2230 | Current tax liabilities | 123,317 | 1 | 103,464 | 1 | 272,221 | 2 |
| 1479 | Other current assets (note 6(k)) | 108,816 | 1 | 87,925 | 1 | 113,587 | 1 | 2300 | Other current liabilities (note 6(m), (q) and (r)) | 190,848 | 1 | 183,827 | 1 | 38,922 | - |
| 1476 | Other current financial assets (note 6(k) and 8) | 1,712,027 | 11 | 1,575,273 | 11 | 1,994,083 | 14 | 2321 | Bonds payable, current portion (note 6(o) and 8) | - | - | - | - | 1,229,854 | 8 |
| | Total current assets | <u>8,703,969</u> | <u>58</u> | <u>8,647,958</u> | <u>59</u> | <u>8,819,483</u> | <u>60</u> | 2322 | Long-term borrowings, current portion (note 6(n) and 8) | 28,917 | - | 77,702 | 1 | 119,496 | 1 |
| | Non-current assets: | | | | | | | 2280 | Current lease liabilities (note 6(p)) | 37,937 | - | 17,318 | - | 12,128 | - |
| 1510 | Non-current financial assets at fair value through profit or loss (note 6(b)) | 50,480 | - | 50,480 | - | 50,480 | - | | Total current liabilities | <u>4,555,924</u> | <u>30</u> | <u>4,430,618</u> | <u>30</u> | <u>5,062,151</u> | <u>34</u> |
| 1517 | Non-current financial assets at fair value through other comprehensive income (note 6(c)) | 261,195 | 2 | 273,853 | 2 | 268,107 | 2 | | Non-Current liabilities: | | | | | | |
| 1550 | Investments accounted for using equity method (note 6(f)) | 865,677 | 6 | 862,485 | 6 | 911,378 | 6 | 2530 | Bonds payable (note 6(o) and 8) | 404,361 | 3 | 403,594 | 3 | - | - |
| 1600 | Property, plant and equipment (note 6(h) and 8) | 4,325,626 | 28 | 4,155,925 | 28 | 3,991,393 | 27 | 2540 | Long-term borrowings (note 6(n) and 8) | 331,785 | 2 | 339,221 | 2 | 344,850 | 3 |
| 1755 | Right-of-use assets (note 6(i) and 8) | 408,928 | 3 | 326,365 | 2 | 242,700 | 2 | 2550 | Non-current provisions (note 6(q)) | - | - | - | - | 7,900 | - |
| 1780 | Intangible assets (note 6(j)) | 51,283 | - | 50,223 | - | 52,507 | - | 2570 | Deferred income tax liabilities | 15,984 | - | 17,504 | - | 72,300 | 1 |
| 1840 | Deferred tax assets | 175,773 | 1 | 171,170 | 1 | 172,698 | 1 | 2670 | Other non-current liabilities, others (note 6(m), (r) and (v)) | 71,036 | - | 63,021 | 1 | 52,356 | - |
| 1990 | Other non-current assets (note 6(k) and 8) | 264,040 | 2 | 235,911 | 2 | 280,350 | 2 | 2580 | Non-current lease liabilities (note 6(p)) | 108,438 | 1 | 44,747 | - | 15,058 | - |
| | Total non-current assets | <u>6,403,002</u> | <u>42</u> | <u>6,126,412</u> | <u>41</u> | <u>5,969,613</u> | <u>40</u> | | Total non-current liabilities | <u>931,604</u> | <u>6</u> | <u>868,087</u> | <u>6</u> | <u>492,464</u> | <u>4</u> |
| | | | | | | | | | Total liabilities | <u>5,487,528</u> | <u>36</u> | <u>5,298,705</u> | <u>36</u> | <u>5,554,615</u> | <u>38</u> |
| | | | | | | | | | Equity attributable to owners of parent (note 6(u)): | | | | | | |
| | | | | | | | | 3100 | Ordinary shares | 1,103,377 | 7 | 1,103,445 | 7 | 1,018,265 | 7 |
| | | | | | | | | 3200 | Capital surplus (note 6(o)) | 4,528,194 | 30 | 4,529,989 | 31 | 3,827,693 | 25 |
| | | | | | | | | 3300 | Retained earnings | 3,058,977 | 20 | 3,006,603 | 20 | 3,383,153 | 23 |
| | | | | | | | | 3400 | Other equity | (204,905) | (1) | (265,941) | (2) | (310,986) | (2) |
| | | | | | | | | 3500 | Treasury shares | (64,664) | - | (64,664) | - | (47,301) | - |
| | | | | | | | | | Total equity attributable to owners of parent: | <u>8,420,979</u> | <u>56</u> | <u>8,309,432</u> | <u>56</u> | <u>7,870,824</u> | <u>53</u> |
| | | | | | | | | 36xx | Non-controlling interests (note 6(g)) | 1,198,464 | 8 | 1,166,233 | 8 | 1,363,657 | 9 |
| | | | | | | | | | Total equity | <u>9,619,443</u> | <u>64</u> | <u>9,475,665</u> | <u>64</u> | <u>9,234,481</u> | <u>62</u> |
| | | | | | | | | | Total liabilities and equity | <u>\$ 15,106,971</u> | <u>100</u> | <u>14,774,370</u> | <u>100</u> | <u>14,789,096</u> | <u>100</u> |
| | Total assets | <u>\$ 15,106,971</u> | <u>100</u> | <u>14,774,370</u> | <u>100</u> | <u>14,789,096</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 ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

| | | For the three months ended March 31, | | | |
|------|--|--------------------------------------|-----|-----------|-----|
| | | 2025 | | 2024 | |
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (note 6(x)) | \$ 1,961,330 | 100 | 1,735,296 | 100 |
| 5000 | Operating costs (note 6(e) , (s) and 7) | 1,549,717 | 79 | 1,369,310 | 79 |
| | Gross profit from operations | 411,613 | 21 | 365,986 | 21 |
| | Operating expenses (note 6(s) ,(y) and 7): | | | | |
| 6100 | Selling expenses | 180,705 | 9 | 142,847 | 8 |
| 6200 | Administrative expenses | 115,981 | 6 | 104,878 | 6 |
| 6300 | Research and development expenses | 62,052 | 3 | 56,632 | 3 |
| 6450 | Impairment (gain) loss determined in accordance with IFRS 9 (note 6(d)) | (1,775) | - | 7,473 | 1 |
| | | 356,963 | 18 | 311,830 | 18 |
| | Net operating income | 54,650 | 3 | 54,156 | 3 |
| | Non-operating income and expenses (note 6(z)): | | | | |
| 7100 | Interest income | 8,569 | - | 15,495 | 1 |
| 7010 | Other income and expenses | 7,955 | - | 8,501 | - |
| 7020 | Other gains and losses (note 6(o)) | 31,111 | 1 | 66,095 | 4 |
| 7050 | Finance costs (note 6(o) and (p)) | (10,337) | - | (7,157) | - |
| 7060 | Share of loss of associates and joint ventures accounted for using equity method (note 6(f)) | (7,107) | - | (5,795) | - |
| | | 30,191 | 1 | 77,139 | 5 |
| | Profit before income tax | 84,841 | 4 | 131,295 | 8 |
| 7950 | Income tax expenses (note 6(t)) | 15,251 | - | 42,551 | 3 |
| | Profit | 69,590 | 4 | 88,744 | 5 |
| 8300 | Other comprehensive income (note 6(u)): | | | | |
| 8310 | Components of other comprehensive income (loss) that will not be reclassified to profit or loss | | | | |
| 8316 | Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (note 6(c)) | 278 | - | 1,350 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | | 278 | - | 1,350 | - |
| 8360 | Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 75,029 | 4 | 190,523 | 11 |
| 8367 | Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (note 6(c)) | 744 | - | (1,344) | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| | | 75,773 | 4 | 189,179 | 11 |
| 8300 | Other comprehensive income, net | 76,051 | 4 | 190,529 | 11 |
| | Total comprehensive income | \$ 145,641 | 8 | 279,273 | 16 |
| | Profit attributable to: | | | | |
| 8610 | Owners of parent | 52,296 | 3 | 75,606 | 4 |
| 8620 | Non-controlling interests (note 6(g)) | 17,294 | 1 | 13,138 | 1 |
| | | \$ 69,590 | 4 | 88,744 | 5 |
| | Comprehensive income attributable to: | | | | |
| 8710 | Owners of parent | 113,410 | 6 | 220,121 | 13 |
| 8720 | Non-controlling interests (note 6(g)) | 32,231 | 2 | 59,152 | 3 |
| | | \$ 145,641 | 8 | 279,273 | 16 |
| | Earnings per share (NT Dollars) (note 6(w)) | | | | |
| 9750 | Basic earnings per share | \$ 0.48 | | 0.77 | |
| 9850 | Diluted earnings per share | \$ 0.47 | | 0.66 | |

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 three months ended March 31, 2025 and 2024

(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, 2024 | \$ 985,601 | 3,570,421 | 382,389 | 347,737 | 2,577,421 | 3,307,547 | (403,859) | (14,196) | (37,446) | (455,501) | (47,301) | 7,360,767 | 1,304,634 | 8,665,401 |
| Profit for the three months ended March 31, 2024 | - | - | - | - | 75,606 | 75,606 | - | - | - | - | - | 75,606 | 13,138 | 88,744 |
| Other comprehensive income for the three months ended March 31, 2024 | - | - | - | - | - | - | 144,509 | 6 | - | 144,515 | - | 144,515 | 46,014 | 190,529 |
| Total comprehensive income for the three months ended March 31, 2024 | - | - | - | - | 75,606 | 75,606 | 144,509 | 6 | - | 144,515 | - | 220,121 | 59,152 | 279,273 |
| Conversion of convertible bonds | 32,843 | 257,583 | - | - | - | - | - | - | - | - | - | 290,426 | - | 290,426 |
| Recall of restricted employee stock | (179) | 179 | - | - | - | - | - | - | - | - | - | - | - | - |
| Share-based payments transactions | - | (490) | - | - | - | - | - | - | - | - | - | (490) | (129) | (619) |
| Balance at March 31, 2024 | \$ 1,018,265 | 3,827,693 | 382,389 | 347,737 | 2,653,027 | 3,383,153 | (259,350) | (14,190) | (37,446) | (310,986) | (47,301) | 7,870,824 | 1,363,657 | 9,234,481 |
| Balance at January 1, 2025 | \$ 1,103,445 | 4,529,989 | 508,039 | 455,501 | 2,043,063 | 3,006,603 | (217,268) | (11,227) | (37,446) | (265,941) | (64,664) | 8,309,432 | 1,166,233 | 9,475,665 |
| Profit for the three months ended March 31, 2025 | - | - | - | - | 52,296 | 52,296 | - | - | - | - | - | 52,296 | 17,294 | 69,590 |
| Other comprehensive income for the three months ended March 31, 2025 | - | - | - | - | - | - | 60,092 | 1,022 | - | 61,114 | - | 61,114 | 14,937 | 76,051 |
| Total comprehensive income for the three months ended March 31, 2025 | - | - | - | - | 52,296 | 52,296 | 60,092 | 1,022 | - | 61,114 | - | 113,410 | 32,231 | 145,641 |
| Recall of restricted employee stock | (68) | 68 | - | - | - | - | - | - | - | - | - | - | - | - |
| Share-based payments transactions | - | (1,863) | - | - | - | - | - | - | - | - | - | (1,863) | - | (1,863) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | 78 | 78 | - | (78) | - | (78) | - | - | - | - |
| Balance at March 31, 2025 | \$ 1,103,377 | 4,528,194 | 508,039 | 455,501 | 2,095,437 | 3,058,977 | (157,176) | (10,283) | (37,446) | (204,905) | (64,664) | 8,420,979 | 1,198,464 | 9,619,443 |

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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

| | For the three months ended March 31 | |
|---|--|--------------------|
| | 2025 | 2024 |
| Cash flows from operating activities: | | |
| Profit before tax | \$ 84,841 | 131,295 |
| Adjustments: | | |
| Adjustments to reconcile profit: | | |
| Depreciation expenses | 87,005 | 63,428 |
| Amortization expenses | 1,247 | 2,759 |
| Expected credit (gains) and losses | (1,775) | 7,473 |
| Net gains on financial assets or liabilities at fair value through profit | (7,566) | (10,026) |
| Interest expense | 10,337 | 7,157 |
| Interest income | (8,569) | (15,495) |
| Share-based payment transactions | (1,863) | (619) |
| Share of loss of associates and joint ventures accounted for using equity method | 7,107 | 5,795 |
| Losses on disposal of property, plant and equipment | 203 | 21 |
| Amortization of deferred income | (1,415) | (1,340) |
| Total adjustments to reconcile profit | 84,711 | 59,153 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Decrease (increase) in notes receivable | 110,283 | (64,063) |
| Decrease (increase) in accounts receivable | 131,420 | (191,793) |
| Increase in other receivables | (13,479) | (817) |
| Increase in inventories | (84,527) | (55,348) |
| Decrease in prepayments | 5,797 | 9,230 |
| Increase in other operating assets | (10,303) | (9,305) |
| Total changes in operating assets | 139,191 | (312,096) |
| Changes in operating liabilities: | | |
| Increase in notes payable | 273,816 | 257,054 |
| Increase in accounts payable | 78,936 | 58,263 |
| Decrease in accounts payable to related parties | (52,723) | (31,668) |
| Decrease in other payables | (87,014) | (27,909) |
| (Decrease) increase in other operating liabilities | (65,734) | 8,185 |
| Total changes in operating liabilities | 147,281 | 263,925 |
| Total adjustments | 371,183 | 10,982 |
| Cash inflow generated from operations | 456,024 | 142,277 |
| Interest received | 8,630 | 15,552 |
| Interest paid | (9,397) | (3,907) |
| Income taxes (paid) received | (1,135) | 23,822 |
| Net cash flows from operating activities | 454,122 | 177,744 |
| Cash flows used in investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | - | (13,182) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 15,228 | 2,181 |
| Acquisition of financial assets at fair value through profit or loss | (648,526) | (343,644) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 83 | - |
| Acquisition of property, plant and equipment | (206,495) | (146,750) |
| Proceeds from disposal of property, plant and equipment | 1,820 | 19 |
| Increase in refundable deposits | (638) | (4,590) |
| Acquisition of intangible assets | (3,040) | (7,512) |
| Increase in other financial assets | (136,754) | (420,703) |
| Increase in prepayments for business facilities | (54,916) | (73,468) |
| Net cash flow used in investing activities | (1,033,238) | (1,007,649) |
| Cash flows used in financing activities: | | |
| Increase in short-term borrowings | 338,177 | 251,833 |
| Decrease in short-term borrowings | (353,313) | (272,732) |
| Repayments of long-term borrowings | (57,903) | (14,982) |
| Increase (decrease) in guarantee deposits received | 1,125 | (5) |
| Repayments of lease liabilities | (5,219) | (5,791) |
| Increase in deferred income | 9,252 | - |
| Net cash flow used in financing activities | (67,881) | (41,677) |
| Effect of exchange rate changes on cash and cash equivalents | 37,048 | 43,192 |
| Net decrease in cash and cash equivalents | (609,949) | (828,390) |
| Cash and cash equivalents at beginning of period | 2,060,652 | 3,065,552 |
| Cash and cash equivalents at end of period | \$ 1,450,703 | 2,237,162 |

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 three months ended March 31, 2025 and 2024
(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 three months ended March 31, 2025 and 2024 were authorized for issuance by the board of directors on May 8, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group’s anticipated adoption of the new amendments beginning on January 1, 2026, are expected to have the following impacts:

- (i) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

For financial assets with contingent features that are not related directly to a change in basic lending risks or costs (e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract), the amendments introduce an additional test to assess the “solely payments of principal and interest on the principal amount outstanding” criterion. In accordance with the Q&A published by the FSC on February 26, 2025, the Group did not elect to early adopt the application guidance in Section 4.1 of the amendments on January 1, 2025.

The Group invested in ESG-linked bonds and may need to change the classification due to the above amendments. The Group is continually evaluating the impact of its initial adoption of the amendments on its consolidated financial statements.

(Continued)

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

- (c) The impact of IFRS Accounting Standards 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” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the 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 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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

| Name of Investor | Name of Subsidiary | Principal activity | Shareholding | | |
|------------------|--|--|------------------|-------------------|------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| 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) |

(Continued)

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

| Name of Investor | Name of Subsidiary | Principal activity | Shareholding | | |
|--------------------------------|---|---|----------------------------|-------------------|--------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Swancor Holding | Sunwell Carbon Fiber Composites Corporation., Ltd. (Sunwell Carbon Fiber Composites) | Producing and selling of carbon composites | 100% | 100% | 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) |
| Sunwell Carbon Fiber Composite | Sunwell (Jiangsu) Carbon Fiber Composite Co., Ltd. (Sunwell (Jiangsu) Carbon Fiber Composite) | Producing and selling of carbon composites | 83.89% | 83.89% | 83.89% |
| Sunwell Carbon Fiber Composite | COTECH, INC. (COTECH) | Producing and selling of carbon composites | 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% | 15.19% | 15.20% |
| Swancor | Swancor Advanced Materials | Producing and selling Vinyl Ester Resins and light composite material resins | 64.02% | 64.02% | 64.03% |
| Swancor Advanced Materials | Swancor (Tianjin) Wind Blade Materials Co., Ltd. (Swancor (Tianjin)) | Producing and selling of energy conservation wind power laminar resins | 100% | 100% | 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% |
| 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 and Note 2) | 55% | 55% (Note 1) |
| 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% |

(Continued)

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

| Name of Investor | Name of Subsidiary | Principal activity | Shareholding | | |
|------------------|---|--|------------------|-------------------|----------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| S-Wanlai | Swancor Netherlands B.V. (Swancor Netherlands) | Technical services | 100% (Note 1) | 100% | - |
| S-Wanlai | Swancor Recycling Technology (Jiangsu) Ltd. (Swancor Recycling) | Producing and selling of recycled carbon fiber and glass fiber | 100% (Note 1) | 100% | - |

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

Note 2: Shandong Longneng proceed with liquidated in accordance with a resolution by a shareholders' meeting on January 23, 2025. However, as of the reporting date, the relevant administrative procedures have not been completed.

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

- (ii) Changes in ownership of subsidiaries from January 1, 2024 to March 31, 2025 were as follow :

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

To comply with the group's restructuring plan the company has resolved, through a resolution of the Board of Directors on August 8, 2024, to transfer the ownership of Swancor Recycling, currently held 100% by the Swancor Holding, to S-Wanlai.

(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.

(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.

(Continued)

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

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, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(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 2024 consolidated financial statements. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and Cash Equivalents

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|----------------------------|------------------------------|---------------------------|
| Petty cash and cash on hand | \$ 498 | 600 | 598 |
| Demand deposits | 1,113,081 | 1,669,275 | 1,368,056 |
| Time deposits | <u>337,124</u> | <u>390,777</u> | <u>868,508</u> |
| Cash and cash equivalents in the consolidated statement of cash flow | <u>\$ 1,450,703</u> | <u>2,060,652</u> | <u>2,237,162</u> |

Please refer to note 6(aa) 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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---------------------------|------------------------------|---------------------------|
| Financial assets designated at fair value through profit or loss : | | | |
| Structured deposit | \$ 648,526 | - | 294,277 |
| Convertible corporate bonds- call right | 123 | 498 | 2,643 |
| Stocks listed on domestic markets | 2,229 | 2,224 | 2,402 |
| Stocks unlisted on domestic markets | <u>50,480</u> | <u>50,480</u> | <u>50,480</u> |
| Total | <u>\$ 701,358</u> | <u>53,202</u> | <u>349,802</u> |

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

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|---------------------------|------------------------------|---------------------------|
| Debt investments at fair value through other comprehensive income : | | | |
| Corporate bonds | \$ <u>121,314</u> | <u>119,022</u> | <u>116,076</u> |

(Continued)

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|---------------------------|------------------------------|---------------------------|
| Equity investments at fair value through other comprehensive income : | | | |
| Stocks listed on domestic markets | \$ 34,850 | 49,800 | 47,000 |
| Stocks unlisted on domestic markets | <u>105,031</u> | <u>105,031</u> | <u>105,031</u> |
| Subtotal | <u>139,881</u> | <u>154,831</u> | <u>152,031</u> |
| Total | <u><u>\$ 261,195</u></u> | <u><u>273,853</u></u> | <u><u>268,107</u></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.

During the period from January 1 to March 31, 2025, the Group disposed of shares classified as equity investments at fair value through other comprehensive income. The disposed shares had a fair value of \$9,228 thousand. A cumulative gain of \$78 thousand was realized upon disposal and subsequently reclassified from other comprehensive income to retained earnings.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity for the three months ended March 31, 2024.

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

(iii) The financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral as of March 31, 2025, December 31, 2024 and March 31, 2024.

(iv) The amounts of other comprehensive profit or loss which were recognized at fair value were \$1,022 thousand, and \$6 thousand.

(d) Notes and Accounts receivable

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|----------------------------|------------------------------|---------------------------|
| Notes receivable from operating activities | \$ 735,554 | 792,468 | 295,016 |
| Notes receivable - fair value through other comprehensive income | 750,833 | 804,202 | 751,741 |
| Less: Loss allowance | <u>(3,536)</u> | <u>(6,089)</u> | <u>(4,709)</u> |
| | <u><u>\$ 1,482,851</u></u> | <u><u>1,590,581</u></u> | <u><u>1,042,048</u></u> |

(Continued)

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|----------------------------|------------------------------|---------------------------|
| Accounts receivable - measured as amortized cost | \$ 2,083,754 | 2,215,050 | 2,304,834 |
| Less: Loss allowance | (5,338) | (4,436) | (16,950) |
| | <u>\$ 2,078,416</u> | <u>2,210,614</u> | <u>2,287,884</u> |

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

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 March 31, 2025, December 31, 2024 and March 31, 2024. 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 March 31, 2025, December 31, 2024 and March 31, 2024 were determined as follows:

| | March 31, 2025 | | |
|----------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | \$ 3,408,118 | 0.05 % | 1,795 |
| Overdue 1 to 90 days | 124,554 | 2.27 % | 2,832 |
| Overdue 91 to 180 days | 4,917 | 5.17 % | 254 |
| Overdue 181 to 270 days | 23,723 | 11.49 % | 2,725 |
| Overdue 271 to 360 days | 8,829 | 14.36 % | 1,268 |
| Overdue more than 361 days | - | - | - |
| Total | <u>\$ 3,570,141</u> | | <u>8,874</u> |

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

(Continued)

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

| | March 31, 2024 | | |
|----------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | \$ 2,950,102 | 0.06 % | 1,770 |
| Overdue 1 to 90 days | 274,319 | 0.84 % | 2,308 |
| Overdue 91 to 180 days | 96,848 | 1.90 % | 1,841 |
| Overdue 181 to 270 days | 24,167 | 39.66 % | 9,585 |
| Overdue 271 to 360 days | - | - % | - |
| Overdue more than 361 days | 6,155 | 100 % | 6,155 |
| Total | <u><u>\$ 3,351,591</u></u> | | <u><u>21,659</u></u> |

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

| | For the three months ended March 31 | |
|--|--|----------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ 10,525 | 13,728 |
| Impairment gains and losses recognized | (1,775) | 7,473 |
| Foreign exchange losses | 124 | 458 |
| Balance on March 31 | <u><u>\$ 8,874</u></u> | <u><u>21,659</u></u> |

The notes and accounts receivable of the Group had not been pledged.

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 \$569,065 thousand, \$515,864 thousand and \$539,385 thousand of trade receivables to an unrelated third party as of March 31, 2025, December 31, 2024 and March 31, 2024. 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.

In addition, as of March 31, 2025, December 31, 2024 and March 31, 2024, the notes receivable for the transfer of endorsements that have not yet expired were \$750,833 thousand, \$804,202 thousand and \$751,741 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(Continued)

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

(e) Inventories

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------|----------------------------|------------------------------|---------------------------|
| Raw materials | \$ 491,466 | 387,608 | 308,551 |
| Finished goods | 601,652 | 644,411 | 449,020 |
| Goods | 21,826 | 19,217 | 16,280 |
| Inventory in transit | 21,531 | 712 | 4,122 |
| | <u><u>\$ 1,136,475</u></u> | <u><u>1,051,948</u></u> | <u><u>777,973</u></u> |

The cost of goods sold were as follows :

| | For the three months ended March 31 | |
|--|--|-------------------------|
| | 2025 | 2024 |
| Inventory that has been sold | \$ 1,542,092 | 1,369,831 |
| Write-down of inventories (reversal of write-down) | 4,799 | (1,237) |
| Loss on physical inventory | 963 | 676 |
| Loss on inventory retired | 1,863 | 40 |
| | <u><u>\$ 1,549,717</u></u> | <u><u>1,369,310</u></u> |

The Group did not provide any inventories as collateral for its loans.

(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:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------|---------------------------|------------------------------|---------------------------|
| Associates | <u><u>\$ 865,677</u></u> | <u><u>862,485</u></u> | <u><u>911,378</u></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 | | |
|--------------------------------------|---|--|---|----------------------|-------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| 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% |

(Continued)

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

A summary of the Group's Associated financial information for using the equity method is as follows:

| | For the three months ended | |
|----------------------------|-----------------------------------|----------------|
| | March 31 | |
| | 2025 | 2024 |
| Attributable to the Group: | | |
| Net loss | \$ (7,107) | (5,795) |
| Other Comprehensive income | - | - |
| Total comprehensive income | <u>\$ (7,107)</u> | <u>(5,795)</u> |

- (ii) The investment accounted for using equity method of the Group had not been pledged.
- (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.

- (g) 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 | | |
|----------------------------|-----------------------------|---|---------------------|------------------|
| | | March 31, | December 31, | March 31, |
| | | 2025 | 2024 | 2024 |
| Swancor Advanced Materials | China | 20.79% | 20.79% | 20.77% |

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

The collective financial information of Swancor Advanced Materials:

| | March 31, | December 31, | March 31, |
|---------------------------|---------------------|---------------------|------------------|
| | 2025 | 2024 | 2024 |
| Current assets | \$ 6,960,961 | 6,512,736 | 5,926,785 |
| Non-current assets | 2,441,619 | 2,411,693 | 2,329,535 |
| Current liabilities | (3,367,215) | (3,053,092) | (2,706,241) |
| Non- current liabilities | (88,347) | (84,128) | (30,893) |
| Net assets | <u>\$ 5,947,018</u> | <u>5,787,209</u> | <u>5,519,186</u> |
| Non-controlling interests | <u>\$ 1,236,385</u> | <u>1,203,161</u> | <u>1,146,335</u> |

(Continued)

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

| | For the three months ended March 31 | |
|---|--|------------------|
| | 2025 | 2024 |
| Operating revenue | \$ 1,690,846 | 1,476,202 |
| Net Operating income | \$ 95,690 | 80,898 |
| Other comprehensive income | (19,192) | (53,579) |
| Comprehensive income | <u>\$ 76,498</u> | <u>27,319</u> |
| Profit, attributable to non-controlling interests | <u>\$ 19,894</u> | <u>16,803</u> |
| Comprehensive income, attributable to non-controlling interests | <u>\$ 15,904</u> | <u>5,674</u> |
| | For the three months ended March 31 | |
| | 2025 | 2024 |
| Net cash flows from operating activities | \$ 472,715 | 46,357 |
| Net cash flows from investing activities | (680,044) | (479,924) |
| Net cash flows from financing activities | 24,379 | (4,897) |
| Net decrease in cash and cash equivalents | <u>\$ (182,950)</u> | <u>(438,464)</u> |

(h) 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, 2025 | \$ 780,227 | 2,913,864 | 1,287,552 | 944,055 | 119,458 | 6,045,156 |
| Additions | - | 2,683 | 2,843 | 10,376 | 190,593 | 206,495 |
| Disposals | - | - | (1,922) | (24,188) | - | (26,110) |
| Reclassification | - | 4,186 | 100 | 17,531 | (2,507) | 19,310 |
| Effect of movements in exchange rates | - | 20,370 | 14,331 | 6,849 | 1,425 | 42,975 |
| Balance at March 31, 2025 | <u>\$ 780,227</u> | <u>2,941,103</u> | <u>1,302,904</u> | <u>954,623</u> | <u>308,969</u> | <u>6,287,826</u> |
| Balance at January 1, 2024 | \$ 780,227 | 1,610,497 | 1,112,812 | 778,736 | 1,155,325 | 5,437,597 |
| Additions | - | 32,159 | 49,990 | 4,239 | 60,362 | 146,750 |
| Disposals | - | - | (526) | (4,423) | - | (4,949) |
| Reclassification | - | 120,957 | 20,355 | 3,696 | (151,115) | (6,107) |
| Effect of movements in exchange rates | - | 44,919 | 31,659 | 17,551 | 3,440 | 97,569 |
| Balance at March 31, 2024 | <u>\$ 780,227</u> | <u>1,808,532</u> | <u>1,214,290</u> | <u>799,799</u> | <u>1,068,012</u> | <u>5,670,860</u> |

(Continued)

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

| | <u>Land</u> | <u>Buildings and Structures</u> | <u>Machinery and Equipment</u> | <u>Other Equipment</u> | <u>Construction in progress and Prepayments for land</u> | <u>Total</u> |
|--|-------------------|---|--|----------------------------|--|------------------|
| Depreciation: | | | | | | |
| Balance at January 1, 2025 | \$ - | 709,527 | 601,830 | 577,874 | - | 1,889,231 |
| Depreciation | - | 28,102 | 25,724 | 21,926 | - | 75,752 |
| Impairment loss retired | - | - | - | (2,895) | - | (2,895) |
| Disposals | - | - | (1,802) | (19,390) | - | (21,192) |
| Reclassification | - | (107) | - | 2,580 | - | 2,473 |
| Effect of movements in exchange rates | - | 7,156 | 6,783 | 4,892 | - | 18,831 |
| Balance at March 31, 2025 | <u>\$ -</u> | <u>744,678</u> | <u>632,535</u> | <u>584,987</u> | <u>-</u> | <u>1,962,200</u> |
| Balance at January 1, 2024 | \$ - | 586,258 | 494,441 | 503,921 | - | 1,584,620 |
| Depreciation | - | 18,219 | 21,927 | 17,720 | - | 57,866 |
| Disposals | - | - | (526) | (4,383) | - | (4,909) |
| Reclassification | - | (207) | - | 207 | - | - |
| Effect of movements in exchange rates | - | 15,438 | 13,990 | 12,462 | - | 41,890 |
| Balance at March 31, 2024 | <u>\$ -</u> | <u>619,708</u> | <u>529,832</u> | <u>529,927</u> | <u>-</u> | <u>1,679,467</u> |
| Carrying amounts: | | | | | | |
| Balance at January 1, 2025 | <u>\$ 780,227</u> | <u>2,204,337</u> | <u>685,722</u> | <u>366,181</u> | <u>119,458</u> | <u>4,155,925</u> |
| Balance at March 31, 2025 | <u>\$ 780,227</u> | <u>2,196,425</u> | <u>670,369</u> | <u>369,636</u> | <u>308,969</u> | <u>4,325,626</u> |
| Balance at January 1, 2024 | <u>\$ 780,227</u> | <u>1,024,239</u> | <u>618,371</u> | <u>274,815</u> | <u>1,155,325</u> | <u>3,852,977</u> |
| Balance at March 31, 2024 | <u>\$ 780,227</u> | <u>1,188,824</u> | <u>684,458</u> | <u>269,872</u> | <u>1,068,012</u> | <u>3,991,393</u> |

For the three months ended March 31, 2024, the amount of interest capitalization was \$3,538 thousand.

Property, plant and equipment pledged as collateral for bank loans are described in note 8.

(i) Right-of-use assets

| | <u>Land</u> | <u>Buildings</u> | <u>Transportation Equipment</u> | <u>Total</u> |
|----------------------------|-------------------|------------------|-------------------------------------|----------------|
| Carrying amount: | | | | |
| Balance at January 1, 2025 | <u>\$ 274,782</u> | <u>48,000</u> | <u>3,583</u> | <u>326,365</u> |
| Balance at March 31, 2025 | <u>\$ 277,220</u> | <u>128,615</u> | <u>3,093</u> | <u>408,928</u> |
| Balance at January 1, 2024 | <u>\$ 218,351</u> | <u>20,086</u> | <u>747</u> | <u>239,184</u> |
| Balance at March 31, 2024 | <u>\$ 224,814</u> | <u>17,042</u> | <u>844</u> | <u>242,700</u> |

(Continued)

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

The Group had no significant additions, disposals, or recognition and reversal of impairment losses of leased land, building and transportation equipment for the three months ended March 31, 2025 and 2024. Please refer to note 6(j) to the 2024 annual consolidated financial statements for other related information.

Right-of-use assets pledged as collateral for bank loans are described in note 8.

(j) Intangible Assets

| | <u>Technique</u> | <u>Computer software</u> | <u>Total</u> |
|----------------------------|------------------|------------------------------|---------------|
| Carrying value: | | | |
| Balance at January 1, 2025 | \$ <u>41,412</u> | <u>8,811</u> | <u>50,223</u> |
| Balance at March 31, 2025 | \$ <u>40,201</u> | <u>11,082</u> | <u>51,283</u> |
| Balance at January 1, 2024 | \$ <u>37,051</u> | <u>10,479</u> | <u>47,530</u> |
| Balance at March 31, 2024 | \$ <u>42,729</u> | <u>9,778</u> | <u>52,507</u> |

The Group had no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2025 and 2024. Please refer to note 6(k) to the 2024 annual consolidated financial statements for other related information.

The intangible assets of the Group had not been pledged as collateral.

(k) 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>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|---------------------------|------------------------------|---------------------------|
| Other current assets : | | | |
| Temporary payments and payment on behalf of others | \$ 19,513 | 12,108 | 25,521 |
| Guarantee deposit paid | 1,985 | 1,824 | 7,294 |
| Other-current | <u>87,318</u> | <u>73,993</u> | <u>80,772</u> |
| | <u>\$ 108,816</u> | <u>87,925</u> | <u>113,587</u> |

(Continued)

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

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|----------------------------|------------------------------|---------------------------|
| Other current financial assets : | | | |
| Time deposits with maturities of more than three months | \$ 1,697,576 | 1,559,742 | 1,958,102 |
| Restricted bank deposits | 14,451 | 15,531 | 35,981 |
| | <u><u>\$ 1,712,027</u></u> | <u><u>1,575,273</u></u> | <u><u>1,994,083</u></u> |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------------|---------------------------|------------------------------|---------------------------|
| Other non-current assets : | | | |
| Guarantee deposits paid | \$ 24,435 | 23,958 | 10,989 |
| Prepayments for equipment | 229,436 | 191,357 | 259,934 |
| Restricted bank deposits | 3,150 | 3,150 | 3,150 |
| Others-non-current | 7,019 | 17,446 | 6,277 |
| | <u><u>\$ 264,040</u></u> | <u><u>235,911</u></u> | <u><u>280,350</u></u> |

(l) Short-term borrowings

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------|----------------------------|------------------------------|---------------------------|
| Unsecured bank loans | \$ 618,035 | 546,860 | 399,906 |
| Secured bank loans | 10,000 | 96,311 | 10,000 |
| | <u><u>\$ 628,035</u></u> | <u><u>643,171</u></u> | <u><u>409,906</u></u> |
| Unused short-term credit lines | <u><u>\$ 4,419,879</u></u> | <u><u>5,148,574</u></u> | <u><u>4,093,282</u></u> |
| Range of interest rates | <u><u>1.98%~4.20%</u></u> | <u><u>1.945%~4.95%</u></u> | <u><u>1.85%~4.51%</u></u> |

(i) Issuance and repayment of borrowings

For the three months ended March 31, 2025 and 2024, the Group obtained from short-term borrowings amounted to \$338,177 thousand and \$251,833 thousand with interest rate of 1.98%~4.90% and 1.85%~4.51%, respectively. The short-term borrowings are due in March 2025 to February 2026 and June 2024 to March 2025, respectively. For the three months ended March 31, 2025 and 2024, the repayment amounted to \$353,313 thousand and \$272,732 thousand, respectively.

(ii) Collateral for short-term borrowings

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

(Continued)

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

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

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|---------------------------|------------------------------|---------------------------|
| Other payables : | | | |
| Other payables-salary | \$ 110,512 | 142,419 | 141,851 |
| Other payables-employee compensation | 465 | 4,445 | 934 |
| Other payables-director's remuneration | 929 | 7,520 | 1,867 |
| Payables on equipment | 33,471 | 43,101 | 98,024 |
| Other | <u>329,678</u> | <u>364,721</u> | <u>271,073</u> |
| | <u>\$ 475,055</u> | <u>562,206</u> | <u>513,749</u> |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|---------------------------|------------------------------|---------------------------|
| Other current liabilities: | | | |
| Temporary receipts | \$ 123 | 1,530 | 1,006 |
| Receipts under custody | 2,923 | 3,137 | 3,170 |
| Current deferred revenue | 5,861 | 5,248 | 5,372 |
| Prepaid share capital | 167,823 | 167,823 | - |
| Other | <u>14,118</u> | <u>6,089</u> | <u>29,374</u> |
| | <u>\$ 190,848</u> | <u>183,827</u> | <u>38,922</u> |
| Non-current liabilities: | | | |
| Non-current deferred revenue | 52,434 | 44,546 | 48,110 |
| Guarantee deposit received | 1,819 | 694 | 944 |
| Stock appreciation right liabilities | <u>16,783</u> | <u>17,781</u> | <u>3,302</u> |
| | <u>\$ 71,036</u> | <u>63,021</u> | <u>52,356</u> |

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

Deferred revenue please refer to note 6(r).

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

(Continued)

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

(n) Long-term borrowings

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------|---------------------------|------------------------------|---------------------------|
| Secured bank loans | \$ 312,721 | 312,383 | 291,220 |
| Unsecured bank loans | 47,981 | 61,788 | 131,900 |
| Other loans (Note) | - | 42,752 | 41,226 |
| Less: current portion | (28,917) | (77,702) | (119,496) |
| | <u>\$ 331,785</u> | <u>339,221</u> | <u>344,850</u> |
| Unused credit lines | <u>\$ -</u> | <u>-</u> | <u>1,193,980</u> |
| Range of interest rates | <u>2.325%~4.4%</u> | <u>1.85%~4.951%</u> | <u>1.98%~2.55%</u> |

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

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

(o) Bonds payable

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|----------------------------|------------------------------|---------------------------|
| Third secured convertible bonds- domestic | \$ 1,000,000 | 1,000,000 | 1,000,000 |
| Fourth unsecured convertible bonds- domestic | 1,000,000 | 1,000,000 | 1,000,000 |
| Unamortized discounted corporate bonds payable | (4,639) | (5,406) | (29,646) |
| Cumulative converted amount | (1,591,000) | (1,591,000) | (740,500) |
| Less: current portion | - | - | (1,229,854) |
| Corporate bonds issued balance at March 31, 2025 | <u>\$ (404,361)</u> | <u>(403,594)</u> | <u>-</u> |
| Embedded derivative – call options, including financial assets at fair value through profit or loss | <u>\$ 123</u> | <u>498</u> | <u>2,643</u> |
| Equity component – conversion options, included in capital surplus– stock options | <u>\$ 44,830</u> | <u>44,830</u> | <u>135,769</u> |

(Continued)

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

| | For the three months ended March 31 | |
|--|--|----------------|
| | 2025 | 2024 |
| Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities | \$ <u>375</u> | <u>(3,079)</u> |
| Interest expense | \$ <u>767</u> | <u>3,682</u> |

There were no significant issues, repurchases and repayments of bonds payable for the three months ended March 31, 2025 and 2024. Please refer to note 6(p) to the 2024 annual consolidated financial statements for other related information.

(p) Lease liabilities

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------|---------------------------|------------------------------|---------------------------|
| Current | \$ <u>37,937</u> | <u>17,318</u> | <u>12,128</u> |
| Non-current | \$ <u>108,438</u> | <u>44,747</u> | <u>15,058</u> |

The amounts recognized in profit or loss were as follows:

| | For the three months ended March 31 | |
|--|--|--------------|
| | 2025 | 2024 |
| Interest on lease liabilities | \$ <u>784</u> | <u>156</u> |
| Expenses relating to short-term leases | \$ <u>6,632</u> | <u>1,746</u> |

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

| | For the three months ended March 31 | |
|-------------------------------|--|--------------|
| | 2025 | 2024 |
| Total cash outflow for leases | \$ <u>12,635</u> | <u>7,693</u> |

(i) Real estate leases

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group leases land and buildings for its office and factory space. The leases of office and factory space typically run for a period of 3 to 5 years. Some leases had not included an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

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

(Continued)

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

(q) Prepaid share capital and Provisions

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|-------------------|----------------------|-------------------|
| Prepaid share capital | \$ <u>167,823</u> | <u>167,823</u> | <u>-</u> |
| Legal | \$ <u>-</u> | <u>-</u> | <u>7,900</u> |

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

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

(r) Deferred income

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------|-------------------|----------------------|-------------------|
| Deferred income | \$ <u>58,295</u> | <u>49,794</u> | <u>53,482</u> |
| Current | \$ 5,861 | 5,248 | 5,372 |
| Non-current | <u>52,434</u> | <u>44,546</u> | <u>48,110</u> |
| | \$ <u>58,295</u> | <u>49,794</u> | <u>53,482</u> |

The Group received building construction grants from the government where the subsidiary is located in January 2025. 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.

(Continued)

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

(s) Employee benefits

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2025 and 2024 were as follows:

| | For the three months ended March 31 | |
|-----------------------------------|--|--------------|
| | 2025 | 2024 |
| Operating cost | \$ 810 | 1,125 |
| Selling expenses | 334 | 306 |
| Administrative expenses | 1,209 | 1,012 |
| Research and development expenses | 678 | 588 |
| | \$ 3,031 | 3,031 |

Other foreign subsidiaries recognized pension expenses of \$9,034 thousand and \$7,406 thousand, for the three months ended March 31, 2025 and 2024, respectively, for the defined contribution plans based on their respective local government regulations.

(t) Income taxes

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

| | For the three months ended March 31 | |
|--------------------|--|-------------|
| | 2025 | 2024 |
| Income tax expense | \$ 15,251 | 42,551 |

(ii) Assessment of tax

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

| | Assessed Year |
|---------------------------------|----------------------|
| The Company | 2022 |
| S-Wanlai | 2022 |
| Swancor Innovation & Incubation | 2022 |
| Sunwell Carbon Fiber Composite | 2023 |
| COTECH | 2023 |
| Swancor Highpolymer | 2023 |

(Continued)

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

(u) 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 March 31, 2025 and 2024. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The balances of capital surplus were as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|----------------------------|------------------------------|---------------------------|
| Share premium | \$ 336,774 | 336,774 | 405,127 |
| Premium on bonds conversion | 2,073,462 | 2,073,462 | 1,246,320 |
| 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 | 1,100,838 | 1,102,701 | 1,070,016 |
| Stock transfer (from retained earnings of Swancor) | 780,337 | 780,337 | 780,337 |
| Restricted employee stock | 35,175 | 35,107 | 33,346 |
| Equity component of convertible bonds recognized in stock option | 44,830 | 44,830 | 135,769 |
| | <u>\$ 4,528,194</u> | <u>4,529,989</u> | <u>3,827,693</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.

(Continued)

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

(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

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

2) Special reserve

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

3) Earnings distribution

The earnings distribution for the years ended December 31, 2024 and 2023 decided by the Board of Directors on March 6, 2025 and during the Company's general meeting of the shareholders held on May 11, 2024, respectively, were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|----------------|
| Dividends distributed to ordinary shareholders: | | |
| Cash | \$ <u>251,614</u> | <u>585,033</u> |

(Continued)

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

(iii) Treasury shares

- 1) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the March 23, 2020, the Board of Directors of the Company determined to repurchase 2,000 thousand shares during March 24 to May 23, 2020, at the price of \$37 to \$106 per share, as treasury shares, in order to encourage its employees.
- 2) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the August 8, 2024, the Board of Directors of the Company determined to repurchase 1,500 thousand shares and apply for cancellation shares during August 9 to October 8, 2024, at the price of \$73 to \$193 per share, in order to maintain company credit and shareholders' rights and interests.

The movement of treasury stock for the three months ended March 31, 2025 was as follows:

(in thousands of shares)

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

The movement of treasury stock for the three months ended March 31, 2024 was as follows:

(in thousands of shares)

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

- 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.

(Continued)

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

(v) Share-based Payments

The Group incurred expense and liabilities of shared-based arrangement for the three months ended March 31, 2025 and 2024 as follows:

| | For the three months ended March 31 | | |
|---|--|----------------------|-------------------|
| | 2025 | 2024 | |
| Equity-settled share-based payment | \$ (1,863) | (619) | |
| Cash-settled share-based payment | (998) | 1,702 | |
| Total | <u>\$ (2,861)</u> | <u>1,083</u> | |
| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Total carrying amount of liability for cash-settled arrangements (other non-current liability on account) | <u>\$ 16,783</u> | <u>17,781</u> | <u>3,302</u> |

There were no significant changes of share-based payment for the three months ended March 31, 2025 and 2024. Please refer to note 6(w) to 2024 annual consolidated financial statements for other related information.

(w) Earnings per Share

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

| | For the three months ended March 31 | |
|---|--|---------------|
| | 2025 | 2024 |
| Profit attributable to ordinary shareholders of the Company | <u>\$ 52,296</u> | <u>75,606</u> |

2) Weighted average number of ordinary shares

| | For the three months ended March 31 | |
|--|--|---------------|
| | 2025 | 2024 |
| Weighted average number of ordinary shares | <u>109,627</u> | <u>98,440</u> |

3) Basic earnings per share

| | For the three months ended March 31 | |
|---------------------------------------|--|-------------|
| | 2025 | 2024 |
| Basic earnings per share (NT Dollars) | <u>\$ 0.48</u> | <u>0.77</u> |

(Continued)

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

(ii) Diluted earnings per share

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

| | For the three months ended March 31 | |
|---|--|----------------------|
| | 2025 | 2024 |
| Profit attributable to ordinary shareholders of the Company(basic) | \$ 52,296 | 75,606 |
| Effect of dilutive potential ordinary shares | | |
| Interest expense on convertible bonds, net of tax | 914 | 483 |
| Profit attributable to ordinary shareholders of the Company (diluted) | <u><u>\$ 53,210</u></u> | <u><u>76,089</u></u> |

2) Weighted average number of ordinary shares (diluted)

| | For the three months ended March 31 | |
|--|--|-----------------------|
| | 2025 | 2024 |
| Weighted average number of ordinary shares (basic) | 109,627 | 98,440 |
| Effect of dilutive potential ordinary shares | | |
| Effect of conversion of convertible bonds | 4,624 | 16,483 |
| Effect of restricted employee shares unvested (Note) | 44 | 16 |
| Weighted average number of ordinary shares (diluted) | <u><u>114,295</u></u> | <u><u>114,939</u></u> |

3) Diluted earnings per share

| | For the three months ended March 31 | |
|---|--|--------------------|
| | 2025 | 2024 |
| Diluted earnings per share (NT Dollars) | <u><u>\$ 0.47</u></u> | <u><u>0.66</u></u> |

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

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

| | For the three months ended March 31 | |
|-------------------------------------|--|-------------------------|
| | 2025 | 2024 |
| <u>Primary geographical markets</u> | | |
| Taiwan | \$ 225,406 | 282,041 |
| China | 845,611 | 757,859 |
| Other | 890,313 | 695,396 |
| | <u><u>\$ 1,961,330</u></u> | <u><u>1,735,296</u></u> |

(Continued)

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

| | For the three months ended March 31 | |
|--------------------------------------|--|------------------|
| | 2025 | 2024 |
| <u>Major products/services lines</u> | | |
| Anti-corrosion material | \$ 730,233 | 652,074 |
| Wind blade material | 576,133 | 641,589 |
| Circular economy material | 191,153 | 5,396 |
| Other | 463,811 | 436,237 |
| | \$ 1,961,330 | 1,735,296 |

(ii) Contract balances

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------|---------------------------|------------------------------|---------------------------|
| Contract liability-advance payment | \$ 14,285 | 85,429 | 16,464 |

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 ended March 31, 2025 and 2024, that were included in the contract liability balance at the beginning of the period were \$81,794 thousand and \$8,072 thousand, respectively.

(y) Employee and directors' remuneration

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

For the three months ended March 31, 2025 and 2024, the Company estimated and reversed its employee remuneration amounting to \$465 thousand and \$934 thousand and directors' remuneration amounting to \$929 thousand and \$1,867 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, 2024 and 2023, the Company estimated its employee remuneration amounting to \$4,445 thousand and \$1,242 thousand, and directors' remuneration amounting to \$7,520 thousand and \$25,824 thousand. Related information would be available at the Market Observation Post System website.

(Continued)

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

(z) Non-operating income and expenses

(i) Interest income

| | For the three months ended March 31 | |
|---------------------------------------|--|---------------|
| | 2025 | 2024 |
| Interest income from bank deposits | \$ 7,104 | 14,137 |
| Interest income from bonds investment | 1,465 | 1,358 |
| | \$ 8,569 | 15,495 |

(ii) Other income and expense

| | For the three months ended March 31 | |
|--------------------|--|--------------|
| | 2025 | 2024 |
| Government subsidy | \$ 7,844 | 6,404 |
| Other | 111 | 2,097 |
| | \$ 7,955 | 8,501 |

(iii) Other gains and losses

| | For the three months ended March 31 | |
|---|--|---------------|
| | 2025 | 2024 |
| Losses on disposal of property, plant and equipment | \$ (3,098) | (21) |
| Impairment retired gains of property, plant and equipment | 2,895 | - |
| Foreign exchange gains | 23,748 | 56,090 |
| Gains on disposal of financial assets (liabilities) measured at fair value through profit or loss | 7,566 | 10,026 |
| | \$ 31,111 | 66,095 |

(Continued)

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

(iv) Finance costs

| | For the three months ended March 31 | |
|------------------------------------|--|--------------|
| | 2025 | 2024 |
| Interest expense-bank loans | \$ 8,476 | 2,921 |
| Interest expense-lease liabilities | 784 | 156 |
| Interest expense-bonds | 767 | 3,682 |
| Interest expense-government loans | 310 | 3,936 |
| Less: capitalization of interest | - | (3,538) |
| | \$ 10,337 | 7,157 |

(aa) 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(ab) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

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

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 March 31, 2025, December 31, 2024 and March 31, 2024, the percentage of 5%, 5% and 8%, 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 notes and accounts receivable, 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 three months ended March 31, 2025 and 2024.

(Continued)

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

(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 |
|---|---------------------|---------------------------|------------------|----------------|----------------|-----------------|
| March 31, 2025 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured loans | \$ 322,721 | 349,479 | 210,036 | 19,542 | 56,461 | 63,440 |
| Unsecured loans | 666,016 | 671,890 | 639,623 | 14,503 | 17,764 | - |
| Accounts payable (including related parties) | 3,532,585 | 3,532,585 | 3,532,585 | - | - | - |
| Bonds payable | 404,361 | 409,000 | - | 409,000 | - | - |
| Lease liability | 146,375 | 153,095 | 40,681 | 39,391 | 70,948 | 2,075 |
| | <u>\$ 5,072,058</u> | <u>5,116,049</u> | <u>4,422,925</u> | <u>482,436</u> | <u>145,173</u> | <u>65,515</u> |
| December 31, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured loans | \$ 408,694 | 436,982 | 114,239 | 199,671 | 56,520 | 66,552 |
| Unsecured loans | 608,648 | 615,568 | 578,845 | 15,336 | 21,387 | - |
| Other loans | 42,752 | 42,872 | 42,872 | - | - | - |
| Accounts payable (including related parties) | 3,319,707 | 3,319,707 | 3,319,707 | - | - | - |
| Bonds payable | 403,594 | 409,000 | - | 409,000 | - | - |
| Lease liability | 62,065 | 64,778 | 18,556 | 20,620 | 23,138 | 2,464 |
| | <u>\$ 4,845,460</u> | <u>4,888,907</u> | <u>4,074,219</u> | <u>644,627</u> | <u>101,045</u> | <u>69,016</u> |
| March 31, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured loans | \$ 301,220 | 321,189 | 26,205 | 18,759 | 234,009 | 42,216 |
| Unsecured loans | 531,806 | 541,587 | 476,341 | 29,379 | 35,867 | - |
| Other loans | 41,226 | 45,102 | 45,102 | - | - | - |
| Accounts payable (including related parties) | 2,963,160 | 2,963,160 | 2,963,160 | - | - | - |
| Bonds payable | 1,229,854 | 1,259,500 | 1,259,500 | - | - | - |
| Lease liability | 27,186 | 28,620 | 12,595 | 4,342 | 8,052 | 3,631 |
| | <u>\$ 5,094,452</u> | <u>5,159,158</u> | <u>4,782,903</u> | <u>52,480</u> | <u>277,928</u> | <u>45,847</u> |

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:

| | March 31, 2025 | | | December 31, 2024 | | | March 31, 2024 | | |
|-------------------------|---------------------|-------------------|-----------|---------------------|-------------------|-----------|---------------------|-------------------|-----------|
| | Foreign currency | Exchange rates | NTD | Foreign currency | Exchange rates | NTD | Foreign currency | Exchange rates | NTD |
| <u>Financial assets</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | \$ 35,710 | 33.205 | 1,185,751 | 44,178 | 32.785 | 1,448,376 | 42,394 | 32.000 | 1,356,608 |
| EUR | 3,030 | 35.97 | 108,989 | 1,715 | 34.14 | 58,550 | 2,120 | 34.46 | 73,055 |

(Continued)

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

| | March 31, 2025 | | | December 31, 2024 | | | March 31, 2024 | | |
|------------------------------|---------------------|-------------------|---------|---------------------|-------------------|---------|---------------------|-------------------|---------|
| | Foreign currency | Exchange rates | NTD | Foreign currency | Exchange rates | NTD | Foreign currency | Exchange rates | NTD |
| <u>Financial liabilities</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | 8,309 | 33.205 | 275,900 | 11,089 | 32.785 | 363,553 | 7,450 | 32.00 | 238,400 |
| EUR | 6 | 35.97 | 216 | 83 | 34.14 | 2,834 | 12 | 34.46 | 414 |

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, 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 March 31, 2025 and 2024 would have increased (decreased) the net profit after tax by \$4,074 thousand and \$4,762 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 ended March 31, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$23,748 thousand and \$56,090 thousand, respectively.

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 \$3,955 thousand and \$3,497 thousand for the three months ended March 31, 2025 and 2024, respectively. This is mainly due to the Group's borrowing in variable rates.

(Continued)

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

3) Other market price risk

For the three months ended March 31, 2025 and 2024, 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:

| Prices of securities at the reporting date | For the three months ended March 31 | | | |
|---|---|------------|---|------------|
| | 2025 | | 2024 | |
| | Other comprehensive income after tax | Net income | Other comprehensive income after tax | Net income |
| Increasing 0.5% | \$ 174 | 11 | 235 | 12 |
| Decreasing 0.5% | (174) | (11) | (235) | (12) |

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

| | March 31, 2025 | | | | |
|--|---------------------|----------------|----------------|----------------|----------------|
| | Carrying amount | Fair Value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Financial assets at fair value through profit or loss | | | | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 701,358 | 2,229 | 648,649 | 50,480 | 701,358 |
| 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 | 34,850 | 34,850 | - | - | 34,850 |
| Original bonds | 121,314 | 121,314 | - | - | 121,314 |
| Subtotal | 261,195 | 156,164 | - | 105,031 | 261,195 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 1,450,703 | - | - | - | - |
| Notes, accounts and other receivables | 3,585,412 | - | - | - | - |
| Current and non-current other financial assets | 1,715,177 | - | - | - | - |
| Refundable deposit | 26,420 | - | - | - | - |
| Subtotal | 6,777,712 | - | - | - | - |
| Total | \$ 7,740,265 | 158,393 | 648,649 | 155,511 | 962,553 |
| Financial liabilities | | | | | |

(Continued)

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

| | | March 31, 2025 | | | | |
|---|-----------|-------------------|----------------|----------------|----------------|----------------|
| | | Carrying | Fair Value | | | |
| | | amount | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities measured at amortized cost | | | | | | |
| Short-term borrowings | \$ | 628,035 | - | - | - | - |
| Notes, accounts and other payables (including related parties) | | 3,532,585 | - | - | - | - |
| Long-term borrowings, current portion | | 28,917 | - | - | - | - |
| Long-term borrowings (including other loans) | | 331,785 | - | - | - | - |
| Bonds payable | | 404,361 | - | 437,282 | - | 437,282 |
| Current and non-current lease liabilities | | 146,375 | - | - | - | - |
| Total | \$ | 5,072,058 | - | 437,282 | - | 437,282 |
| | | December 31, 2024 | | | | |
| | | Carrying | Fair Value | | | |
| | | amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Non derivative financial assets mandatorily measured at fair value through profit or loss | \$ | 53,202 | 2,224 | 498 | 50,480 | 53,202 |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Stocks unlisted on domestic markets | | 105,031 | - | - | 105,031 | 105,031 |
| Stocks listed on domestic markets | | 49,800 | 49,800 | - | - | 49,800 |
| Original bonds | | 119,022 | 119,022 | - | - | 119,022 |
| Subtotal | | 273,853 | 168,822 | - | 105,031 | 273,853 |
| Financial assets measured at amortized cost | | | | | | |
| Cash and cash equivalents | | 2,060,652 | - | - | - | - |
| Notes, accounts and other receivables | | 3,803,513 | - | - | - | - |
| Current and non-current other financial assets | | 1,578,423 | - | - | - | - |
| Refundable deposit | | 25,782 | - | - | - | - |
| Subtotal | | 7,468,370 | - | - | - | - |
| Total | \$ | 7,795,425 | 171,046 | 498 | 155,511 | 327,055 |
| Financial liabilities | | | | | | |
| Financial liabilities measured at amortized cost | | | | | | |
| Short-term borrowings | \$ | 643,171 | - | - | - | - |
| Notes, accounts and other payables (including related parties) | | 3,319,707 | - | - | - | - |
| Long-term borrowings, current portion | | 77,702 | - | - | - | - |
| Long-term borrowings (including other loans) | | 339,221 | - | - | - | - |
| Bonds payable | | 403,594 | - | 455,789 | - | 455,789 |
| Current and non-current lease liabilities | | 62,065 | - | - | - | - |
| Total | \$ | 4,845,460 | - | 455,789 | - | 455,789 |

(Continued)

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

| | | March 31, 2024 | | | |
|--|---------------------|----------------|------------------|----------------|------------------|
| | Carrying amount | Fair Value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| Financial assets at fair value through profit or loss | | | | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 349,802 | 2,402 | 296,920 | 50,480 | 349,802 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks unlisted on domestic markets | 105,031 | - | - | 105,031 | 105,031 |
| Stocks listed on domestic markets | 47,000 | 47,000 | - | - | 47,000 |
| Original bonds | 116,076 | 116,076 | - | - | 116,076 |
| Subtotal | 268,107 | 163,076 | - | 105,031 | 268,107 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 2,237,162 | - | - | - | - |
| Notes, accounts and other receivables | 3,346,919 | - | - | - | - |
| Current and non-current other financial assets | 1,997,233 | - | - | - | - |
| Refundable deposits | 18,283 | - | - | - | - |
| Subtotal | 7,599,597 | - | - | - | - |
| Total | \$ 8,217,506 | 165,478 | 296,920 | 155,511 | 617,909 |
| Financial liabilities | | | | | |
| Financial liabilities measured at amortized cost | | | | | |
| Short-term borrowings | \$ 409,906 | - | - | - | - |
| Notes, accounts and other payables (including related parties) | 2,963,160 | - | - | - | - |
| Long-term borrowings, current portion | 119,496 | - | - | - | - |
| Long-term borrowings (including other loans) | 344,850 | - | - | - | - |
| Bonds payable | 1,229,854 | - | 1,757,178 | - | 1,757,178 |
| Current and non-current lease liabilities | 27,186 | - | - | - | - |
| Total | \$ 5,094,452 | - | 1,757,178 | - | 1,757,178 |

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.

(Continued)

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

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

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

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

4) Transfers between Level 1 and Level 2

There were no transfers from one level to another level for the three months ended March 31, 2025 and 2024.

5) Reconciliation of Level 3 fair values

| | Financial assets at fair value through profit or loss (Unquoted equity instruments) | Financial assets at fair value through other comprehensive income (Unquoted equity instruments) |
|---|--|--|
| Balance at March 31, 2025 (Opening balance at January 1, 2025) | \$ 50,480 | 105,031 |
| Balance at January 1, 2024 | - | 105,031 |
| Purchased | 50,480 | - |
| Balance at March 31, 2024 | \$ 50,480 | 105,031 |

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:

(Continued)

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

| 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 March 31, 2025, December 31, 2024 and March 31, 2024 were 1.39~1.93, 1.59~2.22 and 1.59~2.06, respectively) • Price-to-Sales Ratio (As of March 31, 2025, December 31, 2024 and March 31, 2024 were 0.74~1.96, 0.85~2.23 and 0.59~1.48, respectively) • Lack of marketability discount (As of March 31, 2025, December 31, 2024 and March 31, 2024 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 March 31, 2025, December 31, 2024 and March 31, 2024 were 2.66, 3.31 and 3.19, respectively) • Price-to-Sales Ratio (As of March 31, 2025, December 31, 2024 and March 31, 2024 were 3.81, 3.91 and 4.14, respectively) • Lack of marketability discount (As of March 31, 2025, December 31, 2024 and March 31, 2024 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 |

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:

(Continued)

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

| | | | <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> |
| March 31, 2025 | | | | | | |
| 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, 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) |
| March 31, 2024 | | | | | | |
| 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.

(ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(ac) of the consolidated financial statements for the year ended December 31, 2024.

(ac) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to Note 6(ad) of the consolidated financial statements for the year ended December 31, 2024 for further details.

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

The Group's investing and financing activities, which did not affect its current cash flow for the three months ended March 31, 2025 and 2024, were as follows:

(Continued)

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

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

Reconciliation of liabilities arising from financing activities were as follows:

| | | | Non-cash changes | | | | Transferred shares and Capital surplus | March 31, 2025 |
|--|----|------------------|--------------------|---------------|------------------------|---------------------------------|---|-------------------|
| | | | January 1, 2025 | Cash flows | Increase (Decrease) | Foreign exchange movement | Amortization | |
| Short-term borrowings | \$ | 643,171 | (15,136) | - | - | - | - | 628,035 |
| Long-term borrowings (including current portion) | | 374,171 | (14,420) | - | 762 | 189 | - | 360,702 |
| Other loans (including deferred income) | | 92,546 | (34,231) | - | 1,274 | (1,294) | - | 58,295 |
| Lease liabilities (including current portion) | | 62,065 | (5,219) | 88,832 | 697 | - | - | 146,375 |
| Bonds payable | | 403,594 | - | - | - | 767 | - | 404,361 |
| Total liabilities from financing activities | \$ | <u>1,575,547</u> | <u>(69,006)</u> | <u>88,832</u> | <u>2,733</u> | <u>(338)</u> | <u>-</u> | <u>1,597,768</u> |
| | | | Non-cash changes | | | | Transferred shares and Capital surplus | March 31, 2024 |
| | | | January 1, 2024 | Cash flows | Increase (Decrease) | Foreign exchange movement | Amortization | |
| Short-term borrowings | \$ | 430,805 | (20,899) | - | - | - | - | 409,906 |
| Long-term borrowings (including current portion) | | 437,792 | (14,982) | - | - | 310 | - | 423,120 |
| Other loans (including deferred income) | | 92,139 | - | - | 3,571 | (1,002) | - | 94,708 |
| Lease liabilities (including current portion) | | 31,978 | (5,791) | 620 | 379 | - | - | 27,186 |
| Bonds payable | | 1,516,598 | - | - | - | 3,682 | (290,426) | 1,229,854 |
| Total liabilities from financing activities | \$ | <u>2,509,312</u> | <u>(41,672)</u> | <u>620</u> | <u>3,950</u> | <u>2,990</u> | <u>(290,426)</u> | <u>2,184,774</u> |

(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 |

(Continued)

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

(b) Significant transactions with related parties

(i) Purchase

The Group purchase from related parties were as follows:

| | For the three months ended March 31 | |
|---------------------------------|--|----------------------|
| | 2025 | 2024 |
| Associates-Meijia New Materials | \$ <u><u>32,893</u></u> | <u><u>48,923</u></u> |

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

(ii) Borrowings from Related Parties

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

| Relationship | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---------------------------|------------------------------|---------------------------|
| 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 | <u>403</u> | <u>403</u> | <u>403</u> |
| | <u><u>\$ 5,000</u></u> | <u><u>5,000</u></u> | <u><u>5,000</u></u> |

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

(iii) Payable from Related Parties

The payable from associate were as follows:

| Account | Relationship | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------|----------------------------------|---------------------------|------------------------------|---------------------------|
| Accounts payable | Associate - Meijia New Materials | \$ <u><u>69,579</u></u> | <u><u>122,302</u></u> | <u><u>54,726</u></u> |

(Continued)

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

(c) Key management personnel compensation

Key management personnel compensation comprised the following details:

| | For the three months ended March 31 | |
|-----------------------------------|--|----------------------|
| | 2025 | 2024 |
| Short-term employee benefits | \$ 21,544 | 11,262 |
| Post-employment benefits | 398 | 266 |
| Other long-term employee benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| | <u><u>\$ 21,942</u></u> | <u><u>11,528</u></u> |

(8) Pledged assets:

The carrying values of pledged assets were as follows:

| Pledged assets | Object | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|---|---------------------------|------------------------------|---------------------------|
| Land | Bank loans | \$ 540,921 | 540,921 | 540,921 |
| Buildings | Bank loans | 143,733 | 264,370 | 258,445 |
| Right-of-use asset | Bank loans | 196,172 | 158,938 | 12,553 |
| Restricted bank deposit (other financial assets- current and other non- current assets) | Bank's acceptance bill, Bank loans, stand by L/C and bank guarantee | 16,601 | 17,681 | 38,131 |
| Restricted bank deposit (other non-current assets) | Performance Guarantee | 1,000 | 1,000 | 1,000 |
| | | <u><u>\$ 898,427</u></u> | <u><u>982,910</u></u> | <u><u>851,050</u></u> |

(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|---------------------------|------------------------------|---------------------------|
| Acquisition of property, plant and equipment | <u><u>\$ 126,474</u></u> | <u><u>205,365</u></u> | <u><u>124,452</u></u> |

(b) Outstanding standby letter of credit

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|---------------------------|------------------------------|---------------------------|
| Outstanding standby letter of credit | <u><u>\$ 207,667</u></u> | <u><u>107,957</u></u> | <u><u>110,000</u></u> |

(Continued)

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

(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 March 31 | | | | | |
|----------------------------|-------------------------------------|--------------------|---------|-----------------|--------------------|---------|
| By function | 2025 | | | 2024 | | |
| By item | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | |
| Salary | 38,559 | 87,032 | 125,591 | 40,614 | 81,619 | 122,233 |
| Labor and health insurance | 3,932 | 8,353 | 12,285 | 4,296 | 7,277 | 11,573 |
| Pension | 3,915 | 8,150 | 12,065 | 3,543 | 6,894 | 10,437 |
| Others | 1,945 | 1,676 | 3,621 | 1,902 | 1,518 | 3,420 |
| Depreciation | 49,134 | 37,871 | 87,005 | 40,863 | 22,565 | 63,428 |
| Amortization | - | 1,247 | 1,247 | - | 2,759 | 2,759 |

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

(Continued)

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 | USD2,000 66,410 | USD2,000 66,410 | 66,410 | 5.00% | 2 | - | Operating purpose | - | - | - | 3,368,392 (Note 1) | 3,368,392 (Note 1) |
| 0 | Swancor Holding | S-Wanlai | Other receivables | Yes | 150,000 | 150,000 | 150,000 | 2.05% | 2 | - | Operating purpose | - | - | - | 3,368,392 (Note 1) | 3,368,392 (Note 1) |
| 1 | Sunwell Carbon Fiber Composite | Sunwell (Jiangsu) Carbon Fiber Composite | Other receivables | Yes | RMB18,000 83,264 | RMB18,000 83,264 | - | 0% | 2 | - | Operating purpose | - | - | - | 115,475 (Note 2) | 307,933 (Note 2) |
| 2 | Swancor Highpolymer | Swancor Ind (M) | Other receivables | Yes | USD2,500 83,013 | USD2,500 83,013 | USD2,500 83,013 | 3.95%~4.83% | 2 | - | Operating purpose | - | - | - | 626,031 (Note 3) | 626,031 (Note 3) |
| 3 | Swancor Tianjin | Swancor Ind(M) | Other receivables | Yes | RMB10,000 46,258 | RMB10,000 46,258 | - | 0% | 2 | - | Operating purpose | - | - | - | 422,343 (Note 4) | 422,343 (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 40% 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 40% of its net worth.

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

- 1) Business relationship.
- 2) Short-term financing.

Note6 : The transactions have been eliminated upon consolidation.

(Continued)

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 | 4,210,490 | 170,000 | 170,000 | 48,000 | - | 2.02 % | 8,420,979 | Y | N | N |
| 0 | Swancor Holding | Sunwell (Jiangsu) Carbon Fiber Composites | 2 | 4,210,490 | 478,106 | 478,106 | 152,651 | - | 5.68 % | 8,420,979 | Y | N | Y |
| 1 | Swancor Highpolymer | Swancor Ind(M) | 1 | 469,524 | 132,820 | 132,820 | - | - | 8.49 % | 782,539 | N | N | N |
| 2 | Swancor Advanced Materials | Swancor (Jiangsu) | 2 | 1,778,703 | 638,512 | 508,838 | - | - | 8.58 % | 2,964,506 | N | N | Y |
| 2 | Swancor Advanced Materials | Swancor (Tianjin) | 2 | 1,778,703 | 886,153 | 878,902 | 349,518 | - | 14.82 % | 2,964,506 | N | N | Y |

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 50% of its net worth. The amount of endorsements and/or guarantees to other party shall not exceed 30% 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.

(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 - Yang Bao | | Financial assets at fair value through profit or loss-non current | 631 | 50,480 | 0.83 % | 50,480 | |
| Swancor Holding | Stock - Yang Bao | | Financial assets at fair value through other comprehensive income - non-current | 2,000 | 80,000 | 2.63 % | 80,000 | |

(Continued)

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) 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) | (159,495) | (8.13) % | 90 day | Note 1 | No difference | 328,065 | 9.21 % | |
| Swancor Advanced Materials | Swancor (Jiangsu) | Direct of indirect subsidiaries of the Company | Purchases | 159,495 | 8.85 % | 90 day | Note 1 | No difference | (328,065) | (10.75) % | |
| Swancor (Jiangsu) | Swancor (Tianjin) | Direct of indirect subsidiaries of the Company | (Sales) | (111,931) | (5.71) % | 90 day | Note 1 | No difference | 140,506 | 3.95 % | |
| Swancor (Tianjin) | Swancor (Jiangsu) | Direct of indirect subsidiaries of the Company | Purchases | 111,931 | 6.21 % | 90 day | Note 1 | No difference | (140,506) | (4.60) % | |

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.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period | Allowance for bad debts |
|------------------|----------------------------|--|----------------|---------------|---------|--------------|---------------------------------------|-------------------------|
| | | | | | Amount | Action taken | | |
| Swancor(Jiangsu) | Swancor Advanced Materials | Direct of indirect subsidiaries of the Company | 328,065 | 1.44 | - | - | - | - |
| Swancor(Jiangsu) | Swancor (Jiangsu) | Direct of indirect subsidiaries of the Company | 140,506 | 4.05 | - | - | - | - |

- (vi) Significant transactions and business relationship between the parent company and its subsidiaries:

(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 Advanced Materials | Swancor(Jiangsu) | 3 | Purchases | 159,495 | The sales prices and payment terms were same as those of sales to third parties. | 8.13 % |
| 2 | Swancor(Jiangsu) | Swancor Advanced Materials | 3 | Sales | 159,495 | The sales prices and payment terms were same as those of sales to third parties. | 8.13 % |
| 3 | Swancor (Tianjin) | Swancor(Jiangsu) | 3 | Purchases | 111,931 | The sales prices and payment terms were same as those of sales to third parties. | 5.71 % |
| 4 | Swancor (Jiangsu) | Swancor (Tianjin) | 3 | Sales | 111,931 | The sales prices and payment terms were same as those of sales to third parties. | 5.71 % |

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.

(Continued)

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investees:

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

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

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of March 31, 2025 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|--------------------------------|---------------------------------|-------------|--|----------------------------|-----------------------|------------------------------|-------------------------|--------------------------|---------------------------------|-------------------------------------|-------|
| | | | | March 31, 2025 | December 31, 2024 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| Swancor Holding | Sunwell Carbon Fiber Composite | R.O.C. | Producing and selling carbon composites | 535,184 | 535,184 | 53,000 | 100.00 % | 769,832 | (3,255) | (3,255) | |
| Swancor Holding | Swancor Innovation & Incubation | R.O.C. | Management consulting | 210,000 | 210,000 | 21,000 | 100.00 % | 70,063 | (1,543) | (1,543) | |
| Strategic | Swancor | Samoa | Investing and holding | USD 7,100 233,692 | USD 7,100 233,692 | 7,100 | 100.00 % | USD112,046 3,720,481 | USD1,837 60,442 | USD1,837 60,442 | |
| Swancor Holding | S-Wanlai | R.O.C. | Chemical products manufacturing and processing | 350,000 | 350,000 | 35,000 | 100.00 % | 289,744 | (10,109) | (10,109) | |
| Swancor Holding | Strategic | Samoa | Investing and holding | USD 9,601 317,780 | USD 9,601 317,780 | 9,601 | 100.00 % | 4,572,846 | USD2,279 74,978 | USD2,279 74,978 | |
| 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 401,091 1,855,373 | RMB 20,523 94,083 | RMB 20,523 94,083 | |
| 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 % | HKD67,888 289,808 | HKD 2,068 8,748 | HKD 2,068 8,748 | |
| 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 % | HKD366,632 1,565,126 | HKD 20,193 85,397 | HKD 20,193 85,397 | |
| Sunwell Carbon Fiber Composite | COTECH | R.O.C. | Producing and selling carbon composites | 130,000 | 130,000 | 130,000 | 80.82 % | 130,000 | (4,515) | - | Note1 |
| S-Wanlai | Swancor Netherlands | Netherlands | Technical services | EUR1,000 35,620 | EUR1,000 35,620 | 1,000 | 100.00 % | 30,863 | (1,864) | (1,864) | |

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.

Note1 : The Group invested in COTECH, by subscribing to preferred shares with voting rights. It was agreed that these preferred shares would yield a 3.5% annual dividend and would not participate the distribution dividends on earnings. Therefore, the investment gain recognized for the current period is zero.

(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, 2025 | Investment flows | | Accumulated outflow of investment from Taiwan as of March 31, 2025 | 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 2,090 95,690 | 79.21 % | USD 2,304 75,796 | USD 141,865 4,710,633 | RMB 154,755 690,637 |
| 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 (1,776) (8,140) | 79.21 % | RMB (1,406) (6,448) | RMB 180,799 836,344 | - |
| 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 1,868 8,565 | 79.21 % | RMB 1,480 6,784 | RMB 156,514 724,004 | - |
| Meijia New Materials | Producing and selling of powder coating and epoxy resin | RMB 210,000 913,290 | Indirectly owned by the company | - | - | - | - | RMB (6,511) (29,850) | 18.86 % | RMB (1,228) (5,630) | RMB 148,234 685,703 | - |
| 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 4,499 20,625 | 83.89 % | RMB 3,774 17,302 | 492,606 | - |

(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, 2025 | Investment flows | | Accumulated outflow of investment from Taiwan as of March 31, 2025 | 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 73 334 | 43.57 % | RMB 32 146 | RMB 3,794 17,550 | - |
| Swancor Recycling | Producing and selling recycled carbon fiber and glass fiber | USD 5,000 157,150 | Indirectly owned by the company | USD 5,000 157,150 | - | - | USD5,000 157,150 | RMB (301) (1,379) | 100.00% | RMB (301) (1,379) | 152,902 | - |

(ii) Limitation on investment in Mainland China:

| Company Name | Accumulated Investment in Mainland China as of March 31, 2025 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|-----------------|---|--|---------------------------|
| Swancor Holding | USD7,282 | USD 94,531 2,858,077 | 5,771,666 |

Note1 : Invested by Ideal Star

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

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

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

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

(iii) Significant transactions:

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

(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.