

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

Swancor Holding Company Limited and Subsidiaries

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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

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	13~46
(7) Related-party transactions	46~48
(8) Pledged assets	48
(9) Significant commitments and contingencies	48
(10) Losses Due to Major Disasters	49
(11) Subsequent Events	49
(12) Other	49
(13) Other disclosures	
(a) Information on significant transactions	50~52
(b) Information on investees	53
(c) Information on investment in Mainland China	53~54
(14) Segment information	54



安侯建業聯合會計師事務所
KPMG

台中市407544西屯區文心路二段201號7樓
7F, No.201, Sec.2, Wenxin Road,
Taichung City 407059, Taiwan (R.O.C.)

電話 Tel	+886 4 2415 9168
傳真 Fax	+886 4 2259 0196
網址 Web	kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of Swancor Holding Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of Swancor Holding Company Limited (“the Company”) and its subsidiaries (“the Group”) as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income, for the three months and six months ended June 30, 2025 and 2024, changes in equity and cash flows for the six months ended June 30, 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 \$1,446,172 thousand and \$1,101,112 thousand, constituting 10.43% and 7.51% of the consolidated total assets; and the total liabilities amounting to \$565,040 thousand and \$174,669 thousand, constituting 10.67% and 3.20% of the consolidated total liabilities of June 30, 2025 and 2024, respectively; as well as the total comprehensive income amounting to \$(33,771) thousand, \$(13,766) thousand, \$(36,597) thousand and \$(29,038) thousand, constituting 5.20%, (9.30)%, 7.26% and (6.80)% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 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 \$764,854 thousand and \$915,844 thousand as of June 30, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$(1,723) thousand, \$6,491 thousand, \$(8,830) thousand and \$696 thousand for the three months and six months ended June 30, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 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)
August 7, 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

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 1,693,783	12	2,060,652	14	1,981,980	14	2100	Short-term borrowings (note 6(l) and 8)	\$ 811,164	6	643,171	4	428,358	3
1110	Current financial assets at fair value through profit or loss (note 6(b) and (o))	643,997	5	2,722	-	246,098	2	2130	Current contract liabilities (note 6(x))	11,550	-	85,429	1	8,016	-
1150	Notes receivable, net (note 6(d))	1,025,085	7	1,590,581	11	1,303,102	9	2150	Notes payable	809,271	6	515,451	3	537,279	4
1170	Accounts receivable, net (note 6(d))	2,034,242	15	2,210,614	15	2,252,195	15	2170	Accounts payable	1,661,591	12	2,114,748	14	1,877,070	13
1200	Other receivables	8,978	-	2,318	-	5,400	-	2180	Accounts payable to related parties (note 7)	104,729	1	122,302	1	45,138	-
1220	Current tax assets	5,922	-	3,345	-	8,297	-	2200	Other payables (note 6(m))	643,923	5	562,206	4	1,062,101	7
130X	Inventories (note 6(e))	977,856	7	1,051,948	7	776,277	5	2220	Other payables to related parties (note 7)	5,000	-	5,000	-	5,000	-
1410	Prepayments	32,166	-	62,580	-	45,484	-	2230	Current tax liabilities	121,222	1	103,464	1	86,038	1
1479	Other current assets (note 6(k))	101,515	1	87,925	1	97,768	1	2300	Other current liabilities (note 6(m), (q) and (r))	188,631	1	183,827	1	35,279	-
1476	Other current financial assets (note 6(k) and 8)	1,308,314	9	1,575,273	11	1,911,358	13	2321	Bonds payable, current portion (note 6(o) and 8)	-	-	-	-	809,838	5
	Total current assets	<u>7,831,858</u>	<u>56</u>	<u>8,647,958</u>	<u>59</u>	<u>8,627,959</u>	<u>59</u>	2322	Long-term borrowings, current portion (note 6(n) and 8)	199,244	1	77,702	1	100,888	1
	Non-current assets:							2280	Current lease liabilities (note 6(p))	33,454	-	17,318	-	9,066	-
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>4,589,779</u>	<u>33</u>	<u>4,430,618</u>	<u>30</u>	<u>5,004,071</u>	<u>34</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	246,859	2	273,853	2	269,262	2		Non-Current liabilities:						
1550	Investments accounted for using equity method (note 6(f))	764,854	6	862,485	6	915,844	6	2530	Bonds payable (note 6(o) and 8)	405,130	3	403,594	3	-	-
1600	Property, plant and equipment (note 6(h) and 8)	4,137,101	30	4,155,925	28	4,102,163	28	2540	Long-term borrowings (note 6(n) and 8)	142,346	1	339,221	2	337,556	2
1755	Right-of-use assets (note 6(i) and 8)	359,063	3	326,365	2	238,737	2	2550	Non-current provisions (note 6(q))	-	-	-	-	7,900	-
1780	Intangible assets (note 6(j))	51,005	-	50,223	-	55,481	-	2570	Deferred income tax liabilities	4,396	-	17,504	-	32,300	-
1840	Deferred tax assets	165,104	1	171,170	1	154,753	1	2670	Other non-current liabilities, others (note 6(m), (r) and (v))	64,116	-	63,021	1	60,832	1
1990	Other non-current assets (note 6(k) and 8)	258,648	2	235,911	2	256,808	2	2580	Non-current lease liabilities (note 6(p))	91,429	1	44,747	-	13,678	-
	Total non-current assets	<u>6,033,114</u>	<u>44</u>	<u>6,126,412</u>	<u>41</u>	<u>6,043,528</u>	<u>41</u>		Total non-current liabilities	<u>707,417</u>	<u>5</u>	<u>868,087</u>	<u>6</u>	<u>452,266</u>	<u>3</u>
									Total liabilities	<u>5,297,196</u>	<u>38</u>	<u>5,298,705</u>	<u>36</u>	<u>5,456,337</u>	<u>37</u>
									Equity attributable to owners of parent (note 6(u)):						
								3100	Ordinary shares	1,096,247	8	1,103,445	7	1,065,164	7
								3200	Capital surplus (note 6(o))	4,470,660	32	4,529,989	31	4,205,484	29
								3300	Retained earnings	2,769,698	20	3,006,603	20	2,876,348	20
								3400	Other equity	(687,091)	(5)	(265,941)	(2)	(272,835)	(2)
								3500	Treasury shares	(150,195)	(1)	(64,664)	-	(47,301)	-
									Total equity attributable to owners of parent:	<u>7,499,319</u>	<u>54</u>	<u>8,309,432</u>	<u>56</u>	<u>7,826,860</u>	<u>54</u>
								36xx	Non-controlling interests (note 6(g))	1,068,457	8	1,166,233	8	1,388,290	9
									Total equity	<u>8,567,776</u>	<u>62</u>	<u>9,475,665</u>	<u>64</u>	<u>9,215,150</u>	<u>63</u>
									Total liabilities and equity	<u>\$ 13,864,972</u>	<u>100</u>	<u>14,774,370</u>	<u>100</u>	<u>14,671,487</u>	<u>100</u>
	Total assets	<u>\$ 13,864,972</u>	<u>100</u>	<u>14,774,370</u>	<u>100</u>	<u>14,671,487</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended June 30,				For the six months ended June 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(x))	\$ 1,980,747	100	1,927,104	100	3,942,077	100	3,662,400	100
5000	Operating costs (note 6(e), (s) and 7)	1,617,144	82	1,517,973	79	3,166,861	80	2,887,283	79
	Gross profit from operations	363,603	18	409,131	21	775,216	20	775,117	21
	Operating expenses (note 6(s), (y) and 7):								
6100	Selling expenses	153,693	8	145,334	7	334,398	9	288,181	8
6200	Administrative expenses	93,143	4	110,364	6	209,124	5	215,242	6
6300	Research and development expenses	88,667	4	72,053	4	150,719	4	128,685	3
6450	Impairment (gain) loss determined in accordance with IFRS 9 (note 6(d))	(7,066)	-	996	-	(8,841)	-	8,469	-
		328,437	16	328,747	17	685,400	18	640,577	17
	Net operating income	35,166	2	80,384	4	89,816	2	134,540	4
	Non-operating income and expenses (note 6(z)):								
7100	Interest income	10,640	1	18,008	1	19,209	-	33,503	1
7010	Other income and expenses	9,043	-	2,410	-	16,998	-	10,911	-
7020	Other gains and losses (note 6(o) and (p))	(81,038)	(4)	27,532	1	(49,927)	(1)	93,627	3
7050	Finance costs (note 6(o) and (p))	(10,051)	(1)	(12,653)	-	(20,388)	-	(19,810)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method (note 6(f))	(1,723)	-	6,491	-	(8,830)	-	696	-
		(73,129)	(4)	41,788	2	(42,938)	(1)	118,927	3
	Profit (loss) before income tax	(37,963)	(2)	122,172	6	46,878	1	253,467	7
7950	Income tax expenses (benefit) (note 6(t))	(3,936)	-	21,685	1	11,315	-	64,236	2
	Profit (loss)	(34,027)	(2)	100,487	5	35,563	1	189,231	5
8300	Other comprehensive income:								
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))	(35)	-	300	-	243	-	1,650	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(35)	-	300	-	243	-	1,650	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(616,501)	(31)	48,016	2	(541,472)	(14)	238,539	7
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (note 6(c))	705	-	(762)	-	1,449	-	(2,106)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(615,796)	(31)	47,254	2	(540,023)	(14)	236,433	7
8300	Other comprehensive income, net	(615,831)	(31)	47,554	2	(539,780)	(14)	238,083	7
	Total comprehensive income	\$ (649,858)	(33)	148,041	7	(504,217)	(13)	427,314	12
	Profit attributable to:								
8610	Owners of parent	\$ (37,665)	(2)	78,228	4	14,631	-	153,834	4
8620	Non-controlling interests (note 6(g))	3,638	-	22,259	1	20,932	1	35,397	1
		\$ (34,027)	(2)	100,487	5	35,563	1	189,231	5
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (519,851)	(26)	116,379	6	(406,441)	(10)	336,500	9
8720	Non-controlling interests (note 6(g))	(130,007)	(7)	31,662	2	(97,776)	(3)	90,814	2
		\$ (649,858)	(33)	148,041	8	(504,217)	(13)	427,314	11
	Earnings per share (NT Dollars) (note 6(w))								
9750	Basic earnings per share	\$ (0.35)		0.76		0.13		1.53	
9850	Diluted earnings per share	\$ (0.35)		0.71		0.13		1.37	

See accompanying notes to consolidated financial statements.

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

Swancor Holding Company Limited and subsidiaries

Consolidated Statements of Changes in Equity

For the six months ended June 30, 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 six months ended June 30, 2024	-	-	-	-	153,834	153,834	-	-	-	-	-	153,834	35,397	189,231
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	183,122	(456)	-	182,666	-	182,666	55,417	238,083
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	153,834	153,834	183,122	(456)	-	182,666	-	336,500	90,814	427,314
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	125,650	-	(125,650)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	107,764	(107,764)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(585,033)	(585,033)	-	-	-	-	-	(585,033)	-	(585,033)
Conversion of convertible bonds	79,742	633,529	-	-	-	-	-	-	-	-	-	713,271	-	713,271
Recall of restricted employee stock	(179)	179	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments transactions	-	1,064	-	-	-	-	-	-	-	-	-	1,064	280	1,344
Increase or decrease in non-controlling interests	-	291	-	-	-	-	-	-	-	-	-	291	(7,438)	(7,147)
Balance at June 30, 2024	\$ 1,065,164	4,205,484	508,039	455,501	1,912,808	2,876,348	(220,737)	(14,652)	(37,446)	(272,835)	(47,301)	7,826,860	1,388,290	9,215,150
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 six months ended June 30, 2025	-	-	-	-	14,631	14,631	-	-	-	-	-	14,631	20,932	35,563
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	-	(422,764)	1,692	-	(421,072)	-	(421,072)	(118,708)	(539,780)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	14,631	14,631	(422,764)	1,692	-	(421,072)	-	(406,441)	(97,776)	(504,217)
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	28,410	-	(28,410)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(189,560)	189,560	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(251,614)	(251,614)	-	-	-	-	-	(251,614)	-	(251,614)
Recall of restricted employee stock	(68)	68	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(150,195)	(150,195)	-	(150,195)
Retirement of treasure share	(7,130)	(57,534)	-	-	-	-	-	-	-	-	64,664	-	-	-
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 June 30, 2025	\$ 1,096,247	4,470,660	536,449	265,941	1,967,308	2,769,698	(640,032)	(9,613)	(37,446)	(687,091)	(150,195)	7,499,319	1,068,457	8,567,776

See accompanying notes to consolidated financial statements.

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

Swancor Holding Company Limited and subsidiaries**Consolidated Statements of Cash Flows****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 46,878	253,467
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	169,572	141,024
Amortization expenses	10,890	5,802
Expected credit (gains) and losses	(8,841)	8,469
Net gains on financial assets or liabilities at fair value through profit	(19,622)	(16,020)
Interest expense	20,388	19,810
Interest income	(19,209)	(33,503)
Share-based payment transactions	(1,863)	1,344
Share of loss (gain) of associates and joint ventures accounted for using equity method	8,830	(696)
Losses (gain) on disposal of property, plant and equipment	321	(53)
Amortization of deferred income	(2,785)	(2,699)
Gains on lease modification	(3)	(15)
Total adjustments to reconcile profit	157,678	123,463
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	571,213	(325,437)
Decrease (increase) in accounts receivable	179,496	(156,929)
Decrease in other receivables	9,607	18,177
Decrease (increase) in inventories	74,092	(53,652)
Decrease in prepayments	30,414	2,901
Increase in other operating assets	(2,439)	(15,017)
Total changes in operating assets	862,383	(529,957)
Changes in operating liabilities:		
Increase in notes payable	293,820	374,254
Decrease in accounts payable	(453,157)	(34,273)
Decrease in accounts payable to related parties	(17,573)	(41,256)
Decrease in other payables	(169,170)	(64,683)
(Decrease) increase in other operating liabilities	(71,621)	5,949
Total changes in operating liabilities	(417,701)	239,991
Total changes in operating assets and liabilities	444,682	(289,966)
Total adjustments	602,360	(166,503)
Cash inflow generated from operations	649,238	86,964
Interest received	19,328	33,621
Interest paid	(19,100)	(13,001)
Income taxes paid	(13,746)	(214,882)
Net cash flows from (used in) operating activities	635,720	(107,298)
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	2,231
Acquisition of financial assets at fair value through profit or loss	(639,898)	(291,802)
Proceeds from disposal of financial assets at fair value through profit or loss	4,612	-
Acquisition of property, plant and equipment	(291,719)	(263,656)
Proceeds from disposal of property, plant and equipment	2,425	1,172
Decrease (increase) in refundable deposits	9,856	(2,319)
Acquisition of intangible assets	(6,693)	(12,578)
Decrease (increase) in other financial assets	266,959	(337,978)
Increase in other non-current assets	-	(30,807)
Increase in prepayments for business facilities	(39,289)	(53,242)
Net cash flow used in investing activities	(678,519)	(1,002,161)
Cash flows used in financing activities:		
Increase in short-term borrowings	962,448	427,999
Decrease in short-term borrowings	(794,455)	(430,446)
Proceeds from long-term borrowings	-	14,232
Repayments of long-term borrowings	(69,732)	(56,382)
Increase (decrease) in guarantee deposits received	1,137	(255)
Repayments of lease liabilities	(13,720)	(8,819)
Payments to acquire treasury shares	(150,195)	-
Increase in deferred income	9,962	-
Change in non-controlling interests	-	(7,147)
Net cash flow used in financing activities	(54,555)	(60,818)
Effect of exchange rate changes on cash and cash equivalents	(269,515)	86,705
Net decrease in cash and cash equivalents	(366,869)	(1,083,572)
Cash and cash equivalents at beginning of period	2,060,652	3,065,552
Cash and cash equivalents at end of period	\$ 1,693,783	1,981,980

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Swancor Holding Company Limited and subsidiaries
Notes to the Consolidated Financial Statements
For the six months ended June 30, 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 six months ended June 30, 2025 and 2024 were authorized for issuance by the board of directors on August 7, 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 assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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 19 “Subsidiaries without Public Accountability: Disclosures”

(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		
			June 30, 2025	December 31, 2024	June 30, 2024
Swancor Holding	Swancor Innovation & Incubation Co., Ltd. (Swancor Innovation & Incubation)	Management consulting	100% (Note 1)	100%	100% (Note 1)
Swancor Holding	Swancor Regener Co., Ltd. (Swancor Regener) (Note 3)	Producing and selling of circular economy products	100% (Note 1)	100%	100% (Note 1)
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%

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			June 30, 2025	December 31, 2024	June 30, 2024
Swancor Holding	Swancor Recycling Technology (Jiangsu) Ltd. (Swancor Recycling)	Producing and selling of recycled carbon fiber and glass fiber	-	-	100% (Note 1)
Swancor Holding	Aeraxa Aerospace Technology Co., Ltd. (Aeraxa)	Producing and selling of carbon composites	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%
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%
Swancor Regener	Swancor Netherlands B.V. (Swancor Netherlands)	Technical services	100% (Note 1)	100%	-

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			June 30, 2025	December 31, 2024	June 30, 2024
Swancor Regener	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.

Note 3: Swancor Regener originally named S-Wanlai Co., Ltd. was renamed to Swancor Regener Co., Ltd. on June 27, 2025.

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

(ii) Changes in ownership of subsidiaries from January 1, 2024 to June 30, 2025 were as follow :

In July 18, 2024, Swancor Regener 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 Swancor Regener.

In May 23, 2025, Swancor Holding acquired 100% equity interest in Aeraxa.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Accounting Standards 34 "Interim Financial 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 IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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

	June 30, 2025	December 31, 2024	June 30, 2024
Petty cash and cash on hand	\$ 413	600	610
Demand deposits	1,184,846	1,669,275	1,332,325
Time deposits	<u>508,524</u>	<u>390,777</u>	<u>649,045</u>
Cash and cash equivalents in the consolidated statement of cash flow	<u>\$ 1,693,783</u>	<u>2,060,652</u>	<u>1,981,980</u>

Please refer to note 6(z) 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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets designated at fair value through profit or loss :			
Structured deposit	\$ 639,898	-	241,733
Convertible corporate bonds- call right	89	498	1,921
Derivative instruments not used for hedging- Forward exchange contracts	1,839	-	-
Stocks listed on domestic markets	2,171	2,224	2,444
Stocks unlisted on domestic markets	<u>50,480</u>	<u>50,480</u>	<u>50,480</u>
Total	<u>\$ 694,477</u>	<u>53,202</u>	<u>296,578</u>

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

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

(Continued)

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

	June 30, 2025		
	Amount (in thousands)	Currency	Maturity date
Forward exchange contracts	USD 4,082	TWD to USD	2025.04.28~2025.09.03

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

	June 30, 2025	December 31, 2024	June 30, 2024
Debt investments at fair value through other comprehensive income :			
Corporate bonds	\$ <u>107,013</u>	<u>119,022</u>	<u>116,931</u>
Equity investments at fair value through other comprehensive income :			
Stocks listed on domestic markets	\$ 34,815	49,800	47,300
Stocks unlisted on domestic markets	<u>105,031</u>	<u>105,031</u>	<u>105,031</u>
Subtotal	<u>139,846</u>	<u>154,831</u>	<u>152,331</u>
Total	<u>\$ 246,859</u>	<u>273,853</u>	<u>269,262</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 June 30, 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 \$15,228 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 six months ended June 30, 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.

(Continued)

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

- (iv) The amounts of other comprehensive profit or loss which were recognized at fair value for the three months and six months ended June 30, 2025 and 2024, were \$670 thousand, \$(462) thousand, \$1,692 thousand and \$(456) thousand.

(d) Notes and Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable from operating activities	\$ 520,602	792,468	505,829
Notes receivable - fair value through other comprehensive income	504,855	804,202	802,189
Less: Loss allowance	<u>(372)</u>	<u>(6,089)</u>	<u>(4,916)</u>
	<u>\$ 1,025,085</u>	<u>1,590,581</u>	<u>1,303,102</u>
Accounts receivable - measured as amortized cost	\$ 2,035,227	2,215,050	2,269,997
Less: Loss allowance	<u>(985)</u>	<u>(4,436)</u>	<u>(17,802)</u>
	<u>\$ 2,034,242</u>	<u>2,210,614</u>	<u>2,252,195</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 June 30, 2025, December 31, 2024 and June 30, 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 June 30, 2025, December 31, 2024 and June 30, 2024 were determined as follows:

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,962,623	0.01 %	184
Overdue 1 to 90 days	84,587	0.30 %	257
Overdue 91 to 180 days	10,567	5.51 %	582
Overdue 181 to 270 days	2,907	11.49 %	334
Overdue 271 to 360 days	-	%	-
Overdue more than 361 days	<u>-</u>	<u>%</u>	<u>-</u>
Total	<u>\$ 3,060,684</u>		<u>1,357</u>

(Continued)

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

	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><u>\$ 3,811,720</u></u>		<u><u>10,525</u></u>

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,288,916	0.04 %	1,188
Overdue 1 to 90 days	139,836	1.44 %	2,014
Overdue 91 to 180 days	120,952	1.72 %	2,083
Overdue 181 to 270 days	2,481	27.77 %	689
Overdue 271 to 360 days	21,931	58.57 %	12,845
Overdue more than 361 days	3,899	100 %	3,899
Total	<u><u>\$ 3,578,015</u></u>		<u><u>22,718</u></u>

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

	For the six months ended June 30	
	2025	2024
Balance on January 1	\$ 10,525	13,728
Impairment gains and losses recognized	(8,841)	8,469
Foreign exchange losses	(327)	521
Balance on June 30	<u><u>\$ 1,357</u></u>	<u><u>22,718</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 \$443,531 thousand, \$515,864 thousand and \$509,820 thousand of notes receivable to an unrelated third party as of June 30, 2025, December 31, 2024 and June 30, 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.

(Continued)

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

In addition, as of June 30, 2025, December 31, 2024 and June 30, 2024, the notes receivable for the transfer of endorsements that have not yet expired were \$504,855 thousand, \$804,202 thousand and \$802,189 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(e) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 402,301	387,608	329,665
Finished goods	559,293	644,411	429,485
Goods	16,262	19,217	17,127
Inventory in transit	-	712	-
	<u><u>\$ 977,856</u></u>	<u><u>1,051,948</u></u>	<u><u>776,277</u></u>

The cost of goods sold were as follows :

	For the three months ended June 30		For the six months ended June 30	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Inventory that has been sold\$	1,609,858	1,512,913	3,151,950	2,882,744
Write-down of inventories (reversal of write-down)	(5,796)	3,281	(997)	2,044
Loss on physical inventory	1,778	1,011	2,741	1,687
Loss on inventory retired	11,304	768	13,167	808
	<u><u>\$ 1,617,144</u></u>	<u><u>1,517,973</u></u>	<u><u>3,166,861</u></u>	<u><u>2,887,283</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u><u>\$ 764,854</u></u>	<u><u>862,485</u></u>	<u><u>915,844</u></u>

(Continued)

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

(i) Associates

Name of Associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights		
			June 30, 2025	December 31, 2024	June 30, 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%

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

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Attributable to the Group:				
Net income (loss)	\$ <u>(1,723)</u>	<u>6,491</u>	<u>(8,830)</u>	<u>696</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		
		June 30, 2025	December 31, 2024	June 30, 2024
Swancor Advanced Materials	China	20.79%	20.79%	20.79%

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.

(Continued)

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

The collective financial information of Swancor Advanced Materials:

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 6,253,980	6,512,736	6,037,108
Non-current assets	2,249,655	2,411,693	2,322,033
Current liabilities	(3,036,916)	(3,053,092)	(2,681,869)
Non- current liabilities	(68,265)	(84,128)	(30,636)
Net assets	<u>\$ 5,398,454</u>	<u>5,787,209</u>	<u>5,646,636</u>
Non-controlling interests	<u>\$ 1,122,339</u>	<u>1,203,161</u>	<u>1,173,936</u>

	For the three months ended June 30	For the six months ended June 30	For the three months ended June 30	For the six months ended June 30
	2025	2024	2025	2024
Operating revenue	\$ 1,779,654	1,651,635	3,470,500	3,127,837
Net Operating income	\$ 30,157	123,169	125,847	204,067
Other comprehensive income	170,327	(11,293)	151,135	(64,872)
Comprehensive income	<u>\$ 200,484</u>	<u>111,876</u>	<u>276,982</u>	<u>139,195</u>
Profit, attributable to non-controlling interests	<u>\$ 6,270</u>	<u>25,623</u>	<u>26,164</u>	<u>42,426</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 41,681</u>	<u>23,265</u>	<u>57,585</u>	<u>28,939</u>

	For the three months ended June 30	For the six months ended June 30	For the three months ended June 30	For the six months ended June 30
	2025	2024	2025	2024
Net cash flows from operating activities	\$ 179,867	345,273	652,582	391,630
Net cash flows from investing activities	32,574	(92,597)	(647,470)	(572,521)
Net cash flows from financing activities	(64,261)	(17,656)	(39,882)	(22,553)
Net increase (decrease) in cash and cash equivalents	<u>\$ 148,180</u>	<u>235,020</u>	<u>(34,770)</u>	<u>(203,444)</u>
Dividend paid to non-controlling interest	<u>\$ (11,514)</u>	<u>(7,856)</u>	<u>(11,514)</u>	<u>(7,856)</u>

(Continued)

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

(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		193,278	5,292	5,540	34,111	53,498	291,719
Disposals		-	-	(4,243)	(33,628)	-	(37,871)
Reclassification		-	16,086	100	84,714	(102,965)	(2,065)
Effect of movements in exchange rates		-	(131,837)	(92,212)	(54,449)	(7,198)	(285,696)
Balance at June 30, 2025	\$	<u>973,505</u>	<u>2,803,405</u>	<u>1,196,737</u>	<u>974,803</u>	<u>62,793</u>	<u>6,011,243</u>
Balance at January 1, 2024	\$	780,227	1,610,497	1,112,812	778,736	1,155,325	5,437,597
Additions		-	154,411	41,040	32,865	35,340	263,656
Disposals		-	(176)	(4,409)	(9,087)	-	(13,672)
Reclassification		-	1,092,317	55,515	38,690	(1,139,802)	46,720
Effect of movements in exchange rates		-	55,850	39,781	22,099	5,776	123,506
Balance at June 30, 2024	\$	<u>780,227</u>	<u>2,912,899</u>	<u>1,244,739</u>	<u>863,303</u>	<u>56,639</u>	<u>5,857,807</u>
Depreciation and impairment loss:							
Balance at January 1, 2025	\$	-	709,527	601,830	577,874	-	1,889,231
Depreciation		-	54,992	50,298	43,839	-	149,129
Reversal of impairment loss		-	-	-	(2,895)	-	(2,895)
Disposals		-	-	(3,726)	(28,504)	-	(32,230)
Reclassification		-	(104)	-	2,494	-	2,390
Effect of movements in exchange rates		-	(49,682)	(46,403)	(35,398)	-	(131,483)
Balance at June 30, 2025	\$	<u>-</u>	<u>714,733</u>	<u>601,999</u>	<u>557,410</u>	<u>-</u>	<u>1,874,142</u>
Balance at January 1, 2024	\$	-	586,258	494,441	503,921	-	1,584,620
Depreciation		-	46,123	45,978	38,142	-	130,243
Disposals		-	(174)	(3,410)	(8,969)	-	(12,553)
Reclassification		-	(210)	-	625	-	415
Effect of movements in exchange rates		-	19,555	17,763	15,601	-	52,919
Balance at June 30, 2024	\$	<u>-</u>	<u>651,552</u>	<u>554,772</u>	<u>549,320</u>	<u>-</u>	<u>1,755,644</u>
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 June 30, 2025	\$	<u>973,505</u>	<u>2,088,672</u>	<u>594,738</u>	<u>417,393</u>	<u>62,793</u>	<u>4,137,101</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 June 30, 2024	\$	<u>780,227</u>	<u>2,261,347</u>	<u>689,967</u>	<u>313,983</u>	<u>56,639</u>	<u>4,102,163</u>

(Continued)

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

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

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 June 30, 2025	\$ <u>247,342</u>	<u>109,119</u>	<u>2,602</u>	<u>359,063</u>
Balance at January 1, 2024	\$ <u>218,351</u>	<u>20,086</u>	<u>747</u>	<u>239,184</u>
Balance at June 30, 2024	\$ <u>225,291</u>	<u>12,177</u>	<u>1,269</u>	<u>238,737</u>

The Group had no significant additions, disposals, or recognition and reversal of impairment losses of leased land, building and transportation equipment for the six months ended June 30, 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 June 30, 2025	\$ <u>37,603</u>	<u>13,402</u>	<u>51,005</u>
Balance at January 1, 2024	\$ <u>37,051</u>	<u>10,479</u>	<u>47,530</u>
Balance at June 30, 2024	\$ <u>42,197</u>	<u>13,284</u>	<u>55,481</u>

The Group had no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 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.

(Continued)

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

(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:

	June 30, 2025	December 31, 2024	June 30, 2024
Other current assets :			
Temporary payments and payment on behalf of others	\$ 6,706	12,108	13,577
Guarantee deposit paid	1,807	1,824	6,724
Other-current	<u>93,002</u>	<u>73,993</u>	<u>77,467</u>
	<u>\$ 101,515</u>	<u>87,925</u>	<u>97,768</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Other current financial assets :			
Time deposits with maturities of more than three months	\$ 1,289,157	1,559,742	1,880,676
Restricted bank deposits	19,157	15,531	22,708
Others	<u>-</u>	<u>-</u>	<u>7,974</u>
	<u>\$ 1,308,314</u>	<u>1,575,273</u>	<u>1,911,358</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.

	June 30, 2025	December 31, 2024	June 30, 2024
Other non-current assets :			
Guarantee deposits paid	\$ 14,119	23,958	9,288
Prepayments for equipment	235,101	191,357	186,325
Restricted bank deposits	3,150	3,150	16,902
Prepayment for right-of-use assets	-	-	30,807
Others-non-current	<u>6,278</u>	<u>17,446</u>	<u>13,486</u>
	<u>\$ 258,648</u>	<u>235,911</u>	<u>256,808</u>

(Continued)

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

(l) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ 786,694	546,860	411,930
Secured bank loans	24,470	96,311	16,428
	<u>\$ 811,164</u>	<u>643,171</u>	<u>428,358</u>
Unused short-term credit lines	<u>\$ 4,606,483</u>	<u>5,148,574</u>	<u>4,065,049</u>
Range of interest rates	<u>1.85%~5.23%</u>	<u>1.945%~4.95%</u>	<u>2.07%~4.43%</u>

(i) Issuance and repayment of borrowings

For the six months ended June 30, 2025 and 2024, the Group obtained from short-term borrowings amounted to \$962,448 thousand and \$427,999 thousand with interest rate of 1.85%~5.23% and 1.85%~4.43%, respectively. The short-term borrowings are due in June 2025 to June 2026 and January 2024 to May 2025, respectively. For the six months ended June 30, 2025 and 2024, the repayment amounted to \$794,455 thousand and \$430,446 thousand, respectively.

(ii) Collateral for short-term borrowings

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

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Other payables :			
Other payables-salary	\$ 89,608	142,419	113,263
Other payables-employee compensation	-	4,445	1,767
Other payables-director's remuneration	-	7,520	3,533
Other payables-dividends	251,614	-	585,033
Payables on equipment	12,490	43,101	57,002
Other	290,211	364,721	301,503
	<u>\$ 643,923</u>	<u>562,206</u>	<u>1,062,101</u>

(Continued)

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Other current liabilities:			
Temporary receipts	\$ 395	1,530	608
Receipts under custody	2,894	3,137	2,286
Current deferred revenue	7,015	5,248	5,264
Prepaid share capital	167,823	167,823	-
Other	10,504	6,089	27,121
	<u>\$ 188,631</u>	<u>183,827</u>	<u>35,279</u>
Non-current liabilities:			
Non-current deferred revenue	45,283	44,546	47,089
Guarantee deposit received	1,831	694	694
Stock appreciation right liabilities	17,002	17,781	13,049
	<u>\$ 64,116</u>	<u>63,021</u>	<u>60,832</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).

(n) Long-term borrowings

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

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	\$ 297,706	312,383	293,232
Unsecured bank loans	43,884	61,788	103,242
Other loans (Note)	-	42,752	41,970
Less: current portion	(199,244)	(77,702)	(100,888)
	<u>\$ 142,346</u>	<u>339,221</u>	<u>337,556</u>
Unused credit lines	<u>\$ -</u>	<u>-</u>	<u>1,196,546</u>
Range of interest rates	<u>2.325%~4.4%</u>	<u>1.85%~4.951%</u>	<u>1.98%~4.4%</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.

(Continued)

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

(o) Bonds payable

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

	June 30, 2025	December 31, 2024	June 30, 2024	
Third secured convertible bonds- domestic	\$ 1,000,000	1,000,000	1,000,000	
Forth unsecured convertible bonds- domestic	1,000,000	1,000,000	1,000,000	
Unamortized discounted corporate bonds payable	(3,870)	(5,406)	(18,962)	
Cumulative converted amount	(1,591,000)	(1,591,000)	(1,171,200)	
Less: current portion	-	-	(809,838)	
Corporate bonds issued balance at June 30, 2025	<u><u>(405,130)</u></u>	<u><u>(403,594)</u></u>	<u><u>-</u></u>	
Embedded derivative – call options, including financial assets at fair value through profit or loss	<u><u>\$ 89</u></u>	<u><u>498</u></u>	<u><u>1,921</u></u>	
Equity component – conversion options, included in capital surplus– stock options	<u><u>\$ 44,830</u></u>	<u><u>44,830</u></u>	<u><u>88,754</u></u>	
	For the three months ended June 30		For the six months ended June 30	
	<u>2025</u>	<u>2024</u>	<u>2025</u> <u>2024</u>	
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	<u><u>\$ 34</u></u>	<u><u>722</u></u>	<u><u>409</u></u>	<u><u>(2,357)</u></u>
Interest expense	<u><u>\$ 769</u></u>	<u><u>2,829</u></u>	<u><u>1,536</u></u>	<u><u>6,511</u></u>

There were no significant issues, repurchases and repayments of bonds payable for the six months ended June 30, 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	<u><u>\$ 33,454</u></u>	<u><u>17,318</u></u>	<u><u>9,066</u></u>
Non-current	<u><u>\$ 91,429</u></u>	<u><u>44,747</u></u>	<u><u>13,678</u></u>

(Continued)

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>657</u>	<u>134</u>	<u>1,441</u>	<u>290</u>
Expenses relating to short-term leases	\$ <u>5,379</u>	<u>7,994</u>	<u>12,011</u>	<u>9,740</u>
Gains on modification lease	\$ <u>(3)</u>	<u>(15)</u>	<u>(3)</u>	<u>(15)</u>

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

	For the six months ended June 30	
	2025	2024
Total cash outflow for leases	\$ <u>27,172</u>	<u>18,849</u>

(i) Real estate leases

As of June 30, 2025, December 31, 2024 and June 30, 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.

(q) Prepaid share capital and Provisions

	June 30, 2025	December 31, 2024	June 30, 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.

(Continued)

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Deferred income	\$ <u>52,298</u>	<u>49,794</u>	<u>52,353</u>
Current	\$ 7,015	5,248	5,264
Non-current	<u>45,283</u>	<u>44,546</u>	<u>47,089</u>
	\$ <u>52,298</u>	<u>49,794</u>	<u>52,353</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.

(s) Employee benefits

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Operating cost	\$ 459	1,149	1,269	2,274
Selling expenses	314	353	648	659
Administrative expenses	1,142	1,016	2,351	2,028
Research and development expenses	<u>558</u>	<u>597</u>	<u>1,236</u>	<u>1,185</u>
	\$ <u>2,473</u>	<u>3,115</u>	<u>5,504</u>	<u>6,146</u>

Other foreign subsidiaries recognized pension expenses of \$8,095 thousand, \$7,898 thousand, \$17,129 thousand and \$15,304 thousand, for the three months and six months ended June 30, 2025 and 2024, respectively, for the defined contribution plans based on their respective local government regulations.

(Continued)

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

(t) Income taxes

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

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Income tax expense(benefit)	\$ <u>(3,936)</u>	<u>21,685</u>	<u>11,315</u>	<u>64,236</u>

(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
Swancor Regener	2023
Swancor Innovation & Incubation	2023
Sunwell Carbon Fiber Composite	2023
COTECH	2023
Swancor Highpolymer	2023

(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 June 30, 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Share premium	\$ 336,774	336,774	405,127
Premium on bonds conversion	2,073,462	2,073,462	1,669,281
Donation	253	253	253
Employee share options (overdue and not be executed)	8,151	8,151	8,151
Treasury share transactions	49,781	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	1,071,861
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	88,754
	<u>\$ 4,470,660</u>	<u>4,529,989</u>	<u>4,205,484</u>

(Continued)

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

- 1) According to the Enterprise Merges and Acquisition Act, when an enterprise exchanges shares with other company, its undistributed retained earnings would be the capital surplus of the other company (as holding company) after the exchange has been completed.
- 2) According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increase, by transferring capital surplus in excess of the par value, should not exceed 10% of the total common stock outstanding. However, where a company undergoes an organizational change that results in the capitalization of undistributed earnings after the organizational change, this restriction does not apply.

(ii) Retained earnings

On May 26, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, the Company's distribution of surplus or the offset for losses may be carried out after the end of each half fiscal year. The Board of Directors shall prepare relevant proposals in accordance with applicable laws, the procedures and principles set forth in the Articles of Association, and report to the shareholders' meeting or submit them for the shareholders' meeting's resolution. When distributing surplus, the Company shall first estimate and reserve an amount for the required tax payments, offset past losses in accordance with the law, and allocate 10% as the legal reserve. However, this requirement does not apply if the legal reserve has reached the Company's paid-in capital. Subsequently, a special reserve shall be set aside or reversed in accordance with laws, or the requirements of the competent authority. As for the distribution of surplus at the end of the first half of the fiscal year, the estimation and the retention of the compensation for employees and directors shall be made in accordance with the law and the provisions of this Articles of Association. 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 the Company's long-term financial planning. The shareholders' bonus shall be appropriated from accumulated distributable earnings, of which no less than 30% shall be distributed from the current year's distributable earnings. The Board of Directors shall prepare a distribution proposal in accordance with the law. For the distribution of cash dividend, the proposal shall be reported to the shareholders' meeting, or a proposal for the distribution of stock dividend shall be submitted for the shareholders' meeting's resolution. Shareholders' bonus may be distributed in the form of cash or shares, of which cash dividend shall not be less than 10% of the shareholders' bonus.

(Continued)

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

Prior to the amendment, the Articles of Incorporation stipulated that, if there is any surplus in the Company's annual accounts, the Company shall first pay tax and offset past losses, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside or reversed depending on the Company's operating needs and legal regulations. If there is any unappropriated earnings at the beginning of the period, the Board of Directors shall prepare a proposal for distribution of earnings to the shareholders' meeting for resolution. 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 the Company's long-term financial planning. The shareholders' bonus shall be appropriated from accumulated distributable earnings, of which no less than 30% shall be distributed from the current year's distributable earnings. Shareholders' bonus may be distributed in the form of cash or shares, of which cash dividend shall not be less than 10% of the shareholders' bonus.

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 2024 and 2023 were decided during the Company's general meeting of the shareholders held on May 26, 2025 and May 11, 2024, respectively, 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.
- 3) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the April 9, 2025, the Board of Directors of the Company determined to repurchase 3,000 thousand shares and apply for cancellation shares during April 10 to June 9, 2025, at the price of \$39 to \$120 per share, in order to maintain company credit and shareholders' rights and interests.

The movement of treasury stock for the six months ended June 30, 2025 was as follows:

(in thousands of shares)

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	713	-	(713)	-
Maintain company credit and shareholders' rights and interests	-	2,122	-	2,122
	<u>713</u>	<u>2,122</u>	<u>(713)</u>	<u>2,122</u>

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

(in thousands of shares)

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

- 4) 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 six months ended June 30, 2025 and 2024 as follows:

	For the six months ended June 30	
	2025	2024
Equity-settled share-based payment	\$ (1,863)	1,344
Cash-settled share-based payment	(779)	11,449
Total	<u>\$ (2,642)</u>	<u>12,793</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Total carrying amount of liability for cash-settled arrangements (other non-current liability on account)	<u>\$ 17,002</u>	<u>17,781</u>	<u>13,049</u>

There were no significant changes of share-based payment for the six months ended June 30, 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 (Loss) attributable to ordinary shareholders of the Company

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Profit (Loss) attributable to ordinary shareholders of the Company	<u>\$ (37,665)</u>	<u>78,228</u>	<u>14,631</u>	<u>153,834</u>

2) Weighted average number of ordinary shares

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares	<u>108,193</u>	<u>103,100</u>	<u>108,906</u>	<u>100,770</u>

(Continued)

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

3) Basic earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Basic earnings per share (NT Dollars)	\$ <u><u>(0.35)</u></u>	<u><u>0.76</u></u>	<u><u>0.13</u></u>	<u><u>1.53</u></u>

(ii) Diluted earnings per share

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

	For the three months ended June 30		For the six months ended June 30	
	2024		2025	2024
Profit attributable to ordinary shareholders of the Company (basic)\$		78,228	14,631	153,834
Effect of dilutive potential ordinary shares				
Interest expense on convertible bonds, net of tax		<u>2,840</u>	<u>-</u>	<u>3,323</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$	<u><u>81,068</u></u>	<u><u>14,631</u></u>	<u><u>157,157</u></u>

2) Weighted average number of ordinary shares (diluted)

	For the three months ended June 30		For the six months ended June 30	
	2024		2025	2024
Weighted average number of ordinary shares (basic)		103,100	108,906	100,770
Effect of dilutive potential ordinary shares				
Effect of conversion of convertible bonds		11,814	-	14,119
Effect of restricted employee shares unvested (Note)		<u>6</u>	<u>18</u>	<u>17</u>
Weighted average number of ordinary shares (diluted)		<u><u>114,920</u></u>	<u><u>108,924</u></u>	<u><u>114,906</u></u>

(Continued)

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

3) Diluted earnings per share

	For the three months ended June 30	For the six months ended June 30	
	2024	2025	2024
Diluted earnings per share (NT Dollars)	\$ 0.71	0.13	1.37

There was the net loss after tax, without dilution effect for the three months ended June 30, 2025; The conversion of convertible bonds was excluded from the calculation of diluted earnings per share due to its anti-dilutive effect for the three months ended in June 30, 2025.

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 June 30	For the six months ended June 30		
	2025	2024	2025	2024
<u>Primary geographical markets</u>				
Taiwan	\$ 142,658	315,315	368,064	597,356
China	1,102,126	931,150	1,947,737	1,689,009
Other	735,963	680,639	1,626,276	1,376,035
	<u>\$ 1,980,747</u>	<u>1,927,104</u>	<u>3,942,077</u>	<u>3,662,400</u>
<u>Major products/services lines</u>				
Anti-corrosion material	\$ 745,713	824,315	1,475,946	1,476,389
Wind blade material	733,010	589,405	1,309,143	1,230,994
Circular economy material	102,425	15,908	293,578	21,304
Other	399,599	497,476	863,410	933,713
	<u>\$ 1,980,747</u>	<u>1,927,104</u>	<u>3,942,077</u>	<u>3,662,400</u>

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liability-advance payment	\$ 11,550	85,429	8,016

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

(Continued)

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

The amount of revenue recognized for the for the three months and six months ended June 30, 2025 and 2024, that were included in the contract liability balance at the beginning of the period were \$0, \$118 thousand, \$81,794 thousand and \$8,190 thousand, respectively.

(y) Employee and directors' remuneration

On May 26, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has generated profits for the year, no less than 0.01% shall be allocated for the compensation of employees, and no less than 0.01% shall be allocated for the adjustment of salaries or the distribution of compensation for entry-level workers (the amount allocated for the compensation of entry-level workers shall be included in the aforementioned amount allocated for the compensation for employees). Additionally, no more than 3% shall be allocated for director compensation. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. The remuneration to be paid to employees in stock or cash referred to in the preceding paragraph may include employees of subordinate companies who meet certain conditions. The conditions and methods shall be decided by the Board of Directors and reported to the shareholders' meeting. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in the year, it shall allocate not less than 0.01% as the employees' remuneration and 3% as the directors' remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. The remuneration to be paid to employees in stock or cash referred to in the preceding paragraph may include employees of subordinate companies who meet certain conditions. The conditions and methods shall be decided by the Board of Directors and reported to the shareholders' meeting.

For the three months and six months ended June 30, 2025 and 2024, the Company estimated and reversed its employee remuneration amounting to \$(465) thousand, \$833 thousand, \$0 and \$1,767 thousand and directors' remuneration amounting to \$(929) thousand, \$1,666 thousand, \$0 and \$3,533 thousand, respectively. 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. In the event that the Board of Directors resolves to distribute employee compensation in the form of shares, the number of shares to be granted shall be determined based on the closing price of the Company's common stock on the trading day immediately preceding the date of the Board resolution.

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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 9,268	16,567	16,372	30,704
Interest income from bonds investment	1,369	1,441	2,834	2,799
Other interest income	3	-	3	-
	<u>\$ 10,640</u>	<u>18,008</u>	<u>19,209</u>	<u>33,503</u>

(ii) Other income and expense

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Government subsidy	\$ 9,484	1,190	17,328	7,594
Other	(441)	1,220	(330)	3,317
	<u>\$ 9,043</u>	<u>2,410</u>	<u>16,998</u>	<u>10,911</u>

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ (118)	74	(3,216)	53
Gains from modification lease	3	15	3	15
Impairment retired gains of property, plant and equipment	-	-	2,895	-
Foreign exchange gains (losses)	(92,979)	21,449	(69,231)	77,539
Gains on disposal of financial assets measured at fair value through profit or loss	12,056	5,994	19,622	16,020
	<u>\$ (81,038)</u>	<u>27,532</u>	<u>(49,927)</u>	<u>93,627</u>

(Continued)

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

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest expense-bank loans	\$ 8,456	9,067	16,932	15,276
Interest expense-lease liabilities	657	134	1,441	290
Interest expense-bonds	769	2,829	1,536	6,511
Interest expense-government loans	169	623	479	1,271
Less: capitalization of interest	-	-	-	(3,538)
	<u>\$ 10,051</u>	<u>12,653</u>	<u>20,388</u>	<u>19,810</u>

(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 accounts receivable to ensure the uncollectible amounts are recognized appropriately as impairment loss. As of June 30, 2025, December 31, 2024 and June 30, 2024, the percentage of 17%, 5% and 9%, respectively, of accounts receivable were derived from major customers. Thus, the credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of 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 six months ended June 30, 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
June 30, 2025						
Non-derivative financial liabilities						
Secured loans	\$ 322,176	337,919	207,088	19,246	55,550	56,035
Unsecured loans	830,578	848,758	820,395	14,198	14,165	-
Accounts payable (including related parties)	3,224,514	3,224,514	3,224,514	-	-	-
Bonds payable	405,130	409,000	-	409,000	-	-
Lease liability	124,883	130,388	35,760	35,674	57,268	1,686
	<u>\$ 4,907,281</u>	<u>4,950,579</u>	<u>4,287,757</u>	<u>478,118</u>	<u>126,983</u>	<u>57,721</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>
June 30, 2024						
Non-derivative financial liabilities						
Secured loans	\$ 309,660	339,063	25,079	201,212	52,497	60,275
Unsecured loans	515,172	525,797	478,688	18,407	28,702	-
Other loans	41,970	42,800	42,800	-	-	-
Accounts payable (including related parties)	3,526,588	3,526,588	3,526,588	-	-	-
Bonds payable	809,838	828,800	828,800	-	-	-
Lease liability	22,744	24,053	9,493	3,917	7,401	3,242
	<u>\$ 5,225,972</u>	<u>5,287,101</u>	<u>4,911,448</u>	<u>223,536</u>	<u>88,600</u>	<u>63,517</u>

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:

(In Thousands of Dollars)									
	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
Financial assets									
Monetary items									
USD	\$ 26,358	29.300	772,289	44,178	32.785	1,448,376	37,421	32.450	1,214,311
EUR	2,897	34.35	99,512	1,715	34.14	58,550	1,293	34.71	44,880

(Continued)

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

	June 30, 2025			December 31, 2024			June 30, 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	4,905	29.300	143,717	11,089	32.785	363,553	7,109	32.45	230,687
EUR	-	34.35	-	83	34.14	2,834	1	34.71	35

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 June 30, 2025 and 2024 would have increased (decreased) the net profit after tax by \$2,912 thousand and \$4,114 thousand, respectively.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and six months ended June 30, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(92,979) thousand, \$21,449 thousand, \$(69,231) thousand and \$77,539 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 \$4,611 thousand and \$3,467 thousand for the six months ended June 30, 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 six months ended June 30, 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 six months ended June 30			
	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 0.5%	\$ 174	11	237	12
Decreasing 0.5%	(174)	(11)	(237)	(12)

(iv) 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:

	June 30, 2025				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 694,477	2,171	641,826	50,480	694,477
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	34,815	34,815	-	-	34,815
Original bonds	107,013	107,013	-	-	107,013
Subtotal	246,859	141,828	-	105,031	246,859
Financial assets measured at amortized cost					
Cash and cash equivalents	1,693,783	-	-	-	-
Notes, accounts and other receivables	3,068,305	-	-	-	-
Current and non-current other financial assets	1,311,464	-	-	-	-
Refundable deposit	15,926	-	-	-	-
Subtotal	6,089,478	-	-	-	-
Total	\$ 7,030,814	143,999	641,826	155,511	941,336

(Continued)

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

		June 30, 2025				
		Carrying	Fair Value			
		amount	Level 1	Level 2	Level 3	Total
Financial liabilities						
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	811,164	-	-	-	-
Notes, accounts and other payables (including related parties)		3,224,514	-	-	-	-
Long-term borrowings, current portion		199,244	-	-	-	-
Long-term borrowings		142,346	-	-	-	-
Bonds payable		405,130	-	443,843	-	443,843
Current and non-current lease liabilities		124,883	-	-	-	-
Total	\$	4,907,281	-	443,843	-	443,843
		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

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

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 six months ended June 30, 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 June 30, 2025		
(Opening balance at January 1, 2025)	\$ <u>50,480</u>	<u>105,031</u>
Balance at January 1, 2024	\$ -	105,031
Purchased	<u>50,480</u>	<u>-</u>
Balance at June 30, 2024	\$ <u>50,480</u>	<u>105,031</u>

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

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

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

Quantified information of significant unobservable inputs was as follows:

(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 June 30, 2025, December 31, 2024 and June 30, 2024 were 1.49~1.95, 1.59~2.22 and 1.59~2.06, respectively) • Price-to-Sales Ratio (As of June 30, 2025, December 31, 2024 and June 30, 2024 were 0.77~1.79, 0.85~2.23 and 0.59~1.48, respectively) • Lack of marketability discount (As of June 30, 2025, December 31, 2024 and June 30, 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 June 30, 2025, December 31, 2024 and June 30, 2024 were 3.45, 3.31 and 3.19, respectively) • Price-to-Sales Ratio (As of June 30, 2025, December 31, 2024 and June 30, 2024 were 3.99, 3.91 and 4.14, respectively) • Lack of marketability discount (As of June 30, 2025, December 31, 2024 and June 30, 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>
June 30, 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)
June 30, 2024						
Financial assets at fair value through profit or lost						
Equity investments without an active market	50,480	0.5 %	252	(252)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)

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.

(Continued)

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

(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 six months ended June 30, 2025 and 2024, were as follows:

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	June 30, 2025
			January 1, 2025	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	
Short-term borrowings	\$	643,171	167,993	-	-	-	-	811,164
Long-term borrowings (including current portion)		374,171	(31,258)	-	(1,686)	363	-	341,590
Other loans (including deferred income)		92,546	(28,512)	-	(9,067)	(2,669)	-	52,298
Lease liabilities (including current portion)		62,065	(13,720)	80,650	(4,112)	-	-	124,883
Bonds payable		403,594	-	-	-	1,536	-	405,130
Total liabilities from financing activities	\$	<u>1,575,547</u>	<u>94,503</u>	<u>80,650</u>	<u>(14,865)</u>	<u>(770)</u>	<u>-</u>	<u>1,735,065</u>
			Non-cash changes				Transferred shares and Capital surplus	June 30, 2024
			January 1, 2024	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	
Short-term borrowings	\$	430,805	(2,447)	-	-	-	-	428,358
Long-term borrowings (including current portion)		437,792	(42,150)	250	-	582	-	396,474
Other loans (including deferred income)		92,139	-	(250)	4,444	(2,010)	-	94,323
Lease liabilities (including current portion)		31,978	(8,819)	(899)	484	-	-	22,744
Bonds payable		1,516,598	-	-	-	6,511	(713,271)	809,838
Total liabilities from financing activities	\$	<u>2,509,312</u>	<u>(53,416)</u>	<u>(899)</u>	<u>4,928</u>	<u>5,083</u>	<u>(713,271)</u>	<u>1,751,737</u>

(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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Associates-Meijia New Materials	<u>\$ 81,376</u>	<u>48,243</u>	<u>114,269</u>	<u>97,166</u>

There are no significant differences with the purchase price and the payment term from the above-mentioned companies to general companies.

(ii) Borrowings from Related Parties

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

Relationship	June 30, 2025	December 31, 2024	June 30, 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	403	403	403
	<u>\$ 5,000</u>	<u>5,000</u>	<u>5,000</u>

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

(iii) Payable from Related Parties

The payable from associate were as follows:

Account	Relationship	June 30,	December 31,	June 30,
			2024	
Accounts payable	Associate - Meijia New Materials	<u>\$ 104,729</u>	<u>122,302</u>	<u>45,138</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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 9,942	7,294	31,486	18,556
Post-employment benefits	243	275	641	541
Other long-term employee benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$ 10,185</u>	<u>7,569</u>	<u>32,127</u>	<u>19,097</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Land	Bank loans	\$ 540,921	540,921	540,921
Buildings	Bank loans	142,686	264,370	259,003
Right-of-use asset	Bank loans	174,946	158,938	159,616
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	21,307	17,681	38,610
Restricted bank deposit (other non-current assets)	Performance Guarantee	1,000	1,000	1,000
		<u>\$ 880,860</u>	<u>982,910</u>	<u>999,150</u>

(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment	<u>\$ 64,664</u>	<u>205,365</u>	<u>64,192</u>

(b) Outstanding standby letter of credit

	June 30, 2025	December 31, 2024	June 30, 2024
Outstanding standby letter of credit	<u>\$ 46,271</u>	<u>107,957</u>	<u>78,802</u>

(Continued)

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

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

On July 8, 2025, the Board of Directors of the Company resolved to approve the disposal by its subsidiary, Swancor, of its 59.21% equity interest in its investee company, Swancor Advanced Materials. The total transaction amount is RMB 1,858,212 thousand. As of the date of issuance of the consolidated financial statements, the relevant statutory procedures for the transaction had not yet been completed.

(12) Other:

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

For the three months ended June 30						
By function	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item						
Employee benefits						
Salary	29,119	60,249	89,368	42,139	89,851	131,990
Labor and health insurance	3,000	7,247	10,247	4,367	7,119	11,486
Pension	3,249	7,319	10,568	3,770	7,243	11,013
Others	1,760	1,588	3,348	2,125	1,836	3,961
Depreciation	49,753	32,814	82,567	44,871	32,725	77,596
Amortization	-	9,643	9,643	3	3,040	3,043

For the six months ended June 30						
By function	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item						
Employee benefits						
Salary	67,678	147,281	214,959	82,753	171,470	254,223
Labor and health insurance	6,932	15,600	22,532	8,663	14,396	23,059
Pension	7,164	15,469	22,633	7,313	14,137	21,450
Others	3,705	3,264	6,969	4,027	3,354	7,381
Depreciation	98,887	70,685	169,572	85,734	55,290	141,024
Amortization	-	10,890	10,890	3	5,799	5,802

- (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 58,600	USD2,000 58,600	4.00%	2	-	Operating purpose	-	-	-	2,999,728 (Note 1)	2,999,728 (Note 1)
0	Swancor Holding	Swancor Regener	Other receivables	Yes	150,000	150,000	150,000	2.05%	2	-	Operating purpose	-	-	-	2,999,728 (Note 1)	2,999,728 (Note 1)
1	Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite	Other receivables	Yes	RMB18,000 83,264	RMB18,000 73,674	RMB 5,000 20,465	3.80%	2	-	Operating purpose	-	-	-	97,200 (Note 2)	259,200 (Note 2)
1	Sunwell Carbon Fiber Composite	COTECH	Other receivables	Yes	15,000	15,000	-	2.15%	2	-	Operating purpose	-	Machinery and other equipment	15,063	97,200 (Note 2)	259,200 (Note 2)
2	Swancor Highpolymer	Swancor Ind(M)	Other receivables	Yes	USD2,500 83,013	USD2,500 73,250	USD2,000 58,600	3.95%	2	-	Operating purpose	-	-	-	513,220 (Note 3)	513,220 (Note 3)
3	Swancor Tianjin	Swancor Ind(M)	Other receivables	Yes	RMB20,000 81,860	RMB20,000 81,860	RMB10,000 40,930	1.80%	2	-	Operating purpose	-	-	-	377,174 (Note 4)	377,174 (Note 4)
4	Swancor Innovation & Incubation	Swancor Regener	Other receivables	Yes	25,000	25,000	25,000	2%	2	-	Operating purpose	-	-	-	28,642 (Note 5)	28,642 (Note 5)

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 : The total amount available for lending purpose in Swancor Innovation & Incubation shall not exceed 40% of its net worth. The total amount for lending to other party shall not exceed 15% of its net worth. The total amount for lending to wholly-owned subsidiary shall not exceed 40% of its net worth.

Note6 : For the purpose of lending, the numbering is classified as follows:

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

Note7 : 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	Swancor Regener	2	3,749,660	340,000	290,000	-	-	3.87 %	7,499,319	Y	N	N
0	Swancor Holding	Sunwell (Jiangsu) Carbon Fiber Composites	2	3,749,660	478,106	369,668	114,604	-	4.93 %	7,499,319	Y	N	Y
1	Swancor Highpolymer	Swancor Ind(M)	1	384,915	132,820	117,200	-	-	9.13 %	641,525	N	N	N
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,614,752	638,512	450,230	51,756	-	8.36 %	2,691,254	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,614,752	1,146,040	1,146,040	245,580	-	21.29 %	2,691,254	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	none	Financial assets at fair value through profit or loss-non current	631	50,480	0.83 %	50,480	
Swancor Holding	Stock - Yang Bao	none	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:

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)	(327,492)	(8.31) %	90 day	Note 1	No difference	297,165	9.71 %	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	327,492	11.35 %	90 day	Note 1	No difference	(297,165)	(11.54) %	
Swancor (Jiangsu)	Swancor (Tianjin)	Direct of indirect subsidiaries of the Company	(Sales)	(359,350)	(9.12) %	90 day	Note 1	No difference	315,196	10.30 %	
Swancor (Tianjin)	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	359,350	12.46 %	90 day	Note 1	No difference	(315,196)	(12.24) %	

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

Note2 : The transactions have been eliminated upon consolidation.

- (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	297,165	1.53 %	-	-	124,653	-
Swancor(Jiangsu)	Swancor (Tianjin)	Direct of indirect subsidiaries of the Company	315,196	3.63 %	-	-	-	-

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

No. (Note1)	Name of company	Name of counterparty	Nature of relationship (Note2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Swancor(Jiangsu)	Swancor Advanced Materials	3	Sales	327,492	The sales prices and payment terms were same as those of sales to third parties.	8.31 %
2	Swancor(Jiangsu)	Swancor (Tianjin)	3	Sales	359,350	The sales prices and payment terms were same as those of sales to third parties.	9.12 %

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 form 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 June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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 %	647,999	(18,178)	(18,178)	
Swancor Holding	Swancor Innovation & Incubation	R.O.C.	Management consulting	210,000	210,000	21,000	100.00 %	71,292	(314)	(314)	
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 233,692	USD 7,100 233,692	7,100	100.00 %	USD115,317 3,378,802	USD2,373 75,512	USD2,373 75,512	
Swancor Holding	Swancor Regener	R.O.C.	Chemical products manufacturing and processing	350,000	350,000	35,000	100.00 %	250,169	(31,018)	(31,018)	
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100.00 %	4,150,260	USD2,947 93,778	USD2,947 93,778	
Swancor Holding	Aeraxa	R.O.C.	Producing and selling carbon composites	50,000	-	5,000	100.00 %	49,976	(24)	(24)	
Swancor Advanced Materials	Swancor (HK)	Hong Kong	Investing and holding	USD 21,880 662,997	USD 21,880 662,997	35,650	100.00 %	RMB437,907 1,792,344	RMB19,034 84,320	RMB19,034 84,320	
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 %	HKD73,567 274,584	HKD3,530 14,415	HKD3,530 14,415	
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 %	HKD343,741 1,282,990	HKD16,496 67,369	HKD16,496 67,369	
Sunwell Carbon Fiber Composite	COTECH	R.O.C.	Producing and selling carbon composites	130,000	130,000	130,000	80.82 %	130,000	(7,075)	-	Note1
Swancor Regener	Swancor Netherlands	Netherlands	Technical services	EUR1,000 35,620	EUR1,000 35,620	1,000	100.00 %	27,053	(4,325)	(4,325)	

Note : Each investment income is recognized based on the reviewed financial statements of each invested company in the period except of Swancor Innovation & Incubation, Swancor Regener, Aeraxa, 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 June 30, 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 3,955 125,847	79.21 %	USD 3,132 99,683	USD 145,943 4,276,115	RMB163,670 726,599
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 350 1,549	79.21 %	RMB 277 1,227	RMB 182,483 746,899	-
Swancor (Jiangsu).	Energy conservation wind power laminar resins' manufacturing and selling	RMB 122,500 613,850	Indirectly owned by the company	RMB 76,875 380,892	-	-	RMB 76,875 380,892	RMB 4,129 18,289	79.21 %	RMB 3,270 14,487	RMB 150,383 615,516	-
Meijia New Materials	Producing and selling of powder coating and epoxy resin	RMB 210,000 913,290	Indirectly owned by the company	-	-	-	-	RMB (8,372) (37,086)	18.86 %	RMB (1,579) (6,994)	RMB 148,020 605,841	-

(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 June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
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 6,723 29,783	83.89 %	RMB 5,640 24,986	443,528	-
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 81 357	43.57 %	RMB 35 156	RMB 3,797 15,543	-
Swancor Recycling (Jiangsu)	Producing and selling recycled carbon fiber and glass fiber	USD 5,000 157,150	Indirectly owned by the company	USD 5,000 157,150	-	-	USD 5,000 157,150	RMB (1,313) (5,816)	100.00%	RMB (1,313) (5,816)	131,148	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA (Note 3 and 4)	Upper Limit on Investment (Note 5)
USD 7,282	USD 94,531 2,858,077	5,140,666

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.