

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

**Swancor Holding Company Limited and Subsidiaries**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

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

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## Independent Auditors' Review Report

To the Board of Directors of Swancor Holding Company Limited:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Swancor Holding Company Limited (“the Company”) and its subsidiaries (“the Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,312,118 thousand and \$943,268 thousand, constituting 8.87% and 6.90% of the consolidated total assets; and the total liabilities amounting to \$344,355 thousand and \$256,805 thousand, constituting 6.20% and 4.52% of the consolidated total liabilities of March 31, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$(15,272) thousand and \$(2,266) thousand, constituting (5.47)% and (5.85)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, 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 \$911,378 thousand and \$905,672 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$(5,795) thousand and \$(18,192) thousand for the three months ended March 31, 2024 and 2023 respectively, were recognized solely on the financial statements which prepared by these investee companies, but were unreviewed by independent auditors.

## Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Swancor Holding Company Limited and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

May 9, 2024

## Notes to Readers

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

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

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

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2024		December 31, 2023		March 31, 2023				March 31, 2024		December 31, 2023		March 31, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 2,237,162	15	3,065,552	22	2,198,553	16	2100	Short-term borrowings (note 6(m) and 8)	\$ 409,906	3	430,805	3	1,072,424	8
1110	Current financial assets at fair value through profit or loss (note 6(b) and (f))	299,322	2	2,634	-	136,514	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (p))	-	-	436	-	359	-
1150	Notes receivable, net (note 6(d))	1,042,048	7	978,783	7	2,536,828	19	2130	Current contract liabilities (note 6(y))	16,464	-	10,681	-	30,409	-
1170	Accounts receivable, net (note 6(d))	2,287,884	16	2,102,766	15	1,976,075	14	2150	Notes payable	420,079	3	163,025	1	268,211	2
1200	Other receivables	16,987	-	10,073	-	3,471	-	2170	Accounts payable	1,969,606	13	1,911,343	13	1,500,043	11
1220	Current tax assets	11,282	-	37,871	-	28,497	-	2180	Accounts payable to related parties (note 7)	54,726	-	86,394	1	26,561	-
130X	Inventories (note 6(e))	777,973	5	722,625	5	866,884	6	2200	Other payables (note 6(n))	513,749	4	542,738	4	354,534	3
1410	Prepayments	39,155	-	48,385	-	33,378	-	2220	Other payables to related parties (note 7)	5,000	-	5,000	-	5,000	-
1479	Other current assets (note 6(l))	113,587	1	99,427	1	66,874	-	2230	Current tax liabilities	272,221	2	250,246	2	145,699	1
1476	Other current financial assets (note 6(l) and 8)	<u>1,994,083</u>	<u>14</u>	<u>1,573,380</u>	<u>11</u>	<u>98,713</u>	<u>1</u>	2399	Other current liabilities (note 6(n) and (s))	38,922	-	38,071	-	61,921	-
	<b>Total current assets</b>	<u>8,819,483</u>	<u>60</u>	<u>8,641,496</u>	<u>61</u>	<u>7,945,787</u>	<u>57</u>	2321	Bonds payable, current portion (note 6(p) and 8)	1,229,854	8	1,516,598	10	-	-
	<b>Non-current assets:</b>							2322	Long-term borrowings, current portion (note 6(o) and 8)	119,496	1	80,063	1	70,203	1
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	50,480	-	-	-	665,904	5	2280	Current lease liabilities (note 6(q))	<u>12,128</u>	<u>-</u>	<u>16,532</u>	<u>-</u>	<u>18,836</u>	<u>-</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	268,107	2	252,363	2	156,059	1		<b>Total current liabilities</b>	<u>5,062,151</u>	<u>34</u>	<u>5,051,932</u>	<u>35</u>	<u>3,554,200</u>	<u>26</u>
1550	Investments accounted for using equity method (note 6(f))	911,378	6	881,689	6	905,672	7		<b>Non-Current liabilities:</b>						
1600	Property, plant and equipment (note 6(i) and 8)	3,991,393	27	3,852,977	27	3,518,064	26	2530	Bonds payable (note 6(p) and 8)	-	-	-	-	1,505,596	11
1755	Right-of-use assets (note 6(j) and 8)	242,700	2	239,184	2	253,149	2	2540	Long-term borrowings (note 6(o) and 8)	344,850	3	397,024	3	492,000	4
1780	Intangible assets (note 6(k))	52,507	-	47,530	-	52,534	-	2550	Non-current provisions (note 6(r))	7,900	-	7,900	-	7,900	-
1840	Deferred tax assets	172,698	1	156,792	1	91,870	1	2570	Deferred income tax liabilities	72,300	1	85,196	1	55,130	-
1990	Other non-current assets (note 6(l) and 8)	<u>280,350</u>	<u>2</u>	<u>201,040</u>	<u>1</u>	<u>76,073</u>	<u>1</u>	2670	Other non-current liabilities, others (note 6(n), (s) and (w))	52,356	-	50,172	-	45,042	-
	<b>Total non-current assets</b>	<u>5,969,613</u>	<u>40</u>	<u>5,631,575</u>	<u>39</u>	<u>5,719,325</u>	<u>43</u>	2580	Non-current lease liabilities (note 6(q))	<u>15,058</u>	<u>-</u>	<u>15,446</u>	<u>-</u>	<u>17,765</u>	<u>-</u>
									<b>Total non-current liabilities</b>	<u>492,464</u>	<u>4</u>	<u>555,738</u>	<u>4</u>	<u>2,123,433</u>	<u>15</u>
									<b>Total liabilities</b>	<u>5,554,615</u>	<u>38</u>	<u>5,607,670</u>	<u>39</u>	<u>5,677,633</u>	<u>41</u>
									<b>Equity attributable to owners of parent (note 6(v)):</b>						
								3100	Ordinary shares	1,018,265	7	985,601	7	981,322	7
								3200	Capital surplus (note 6(w))	3,827,693	25	3,570,421	25	3,534,863	26
								3300	Retained earnings	3,383,153	23	3,307,547	23	2,557,217	19
								3400	Other equity	(310,986)	(2)	(455,501)	(3)	(330,398)	(2)
								3500	Treasury shares	<u>(47,301)</u>	<u>-</u>	<u>(47,301)</u>	<u>-</u>	<u>(47,301)</u>	<u>-</u>
									<b>Total equity attributable to owners of parent:</b>	<u>7,870,824</u>	<u>53</u>	<u>7,360,767</u>	<u>52</u>	<u>6,695,703</u>	<u>50</u>
								36xx	Non-controlling interests (note 6(h))	<u>1,363,657</u>	<u>9</u>	<u>1,304,634</u>	<u>9</u>	<u>1,291,776</u>	<u>9</u>
									<b>Total equity</b>	<u>9,234,481</u>	<u>62</u>	<u>8,665,401</u>	<u>61</u>	<u>7,987,479</u>	<u>59</u>
									<b>Total liabilities and equity</b>	<u>\$ 14,789,096</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>13,665,112</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 14,789,096</u>	<u>100</u>	<u>14,273,071</u>	<u>100</u>	<u>13,665,112</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Swancor Holding Company Limited and subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (note 6(y))	\$ 1,735,296	100	1,698,486	100
5000	<b>Operating costs</b> (note 6(e) , (t) and 7)	1,369,310	79	1,378,487	81
	<b>Gross profit from operations</b>	365,986	21	319,999	19
	<b>Operating expenses</b> (note 6(t) and (z)):				
6100	Selling expenses	142,847	8	115,387	7
6200	Administrative expenses	104,878	6	93,161	6
6300	Research and development expenses	56,632	3	52,013	3
6450	Impairment loss determined in accordance with IFRS 9 (note 6(d))	7,473	1	4,874	-
		311,830	18	265,435	16
	<b>Net operating income</b>	54,156	3	54,564	3
	<b>Non-operating income and expenses</b> (note 6(ab)):				
7100	Interest income	15,495	1	8,577	-
7010	Other income and expenses	8,501	-	12,811	1
7020	Other gains and losses (note 6 (p))	66,095	4	(3,510)	-
7050	Finance Costs (note 6(p) and (q))	(7,157)	-	(15,782)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	(5,795)	-	(18,192)	(1)
		77,139	5	(16,096)	(1)
	<b>Profit before income tax</b>	131,295	8	38,468	2
7950	<b>Income tax expenses</b> (note 6(u))	42,551	3	20,464	1
	<b>Profit</b>	88,744	5	18,004	1
8300	<b>Other comprehensive income</b> (note 6(v)):				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,350	-	1,450	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		1,350	-	1,450	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	190,523	11	17,898	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(1,344)	-	1,387	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		189,179	11	19,285	1
8300	<b>Other comprehensive income for the year, net of tax</b>	190,529	11	20,735	1
	<b>Total comprehensive income for the period, net of tax</b>	\$ 279,273	16	38,739	2
	<b>Profit attributable to:</b>				
8610	Owners of parent	75,606	4	19,078	1
8620	Non-controlling interests (note 6(h))	13,138	1	(1,074)	-
		\$ 88,744	5	18,004	1
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	220,121	13	36,417	2
8720	Non-controlling interests (note 6(h))	59,152	3	2,322	-
		\$ 279,273	16	38,739	2
	<b>Earnings per share (NT Dollars)</b> (note 6(x))				
9750	<b>Basic earnings per share</b>	\$ 0.77		0.20	
9850	<b>Diluted earnings per share</b>	\$ 0.66		0.17	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Swancor Holding Company Limited and subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													
	Retained earnings						Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (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, 2023	\$ 981,311	3,533,803	292,074	391,367	1,854,698	2,538,139	(333,092)	(14,645)	-	(347,737)	(47,301)	6,658,215	1,289,252	7,947,467
Net income for the three months ended March 31, 2023	-	-	-	-	19,078	19,078	-	-	-	-	-	19,078	(1,074)	18,004
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	-	14,502	2,837	-	17,339	-	17,339	3,396	20,735
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	19,078	19,078	14,502	2,837	-	17,339	-	36,417	2,322	38,739
Conversion of convertible bonds	11	84	-	-	-	-	-	-	-	-	-	95	-	95
Share-based payments transactions	-	976	-	-	-	-	-	-	-	-	-	976	202	1,178
Balance at March 31, 2023	\$ 981,322	3,534,863	292,074	391,367	1,873,776	2,557,217	(318,590)	(11,808)	-	(330,398)	(47,301)	6,695,703	1,291,776	7,987,479
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
Net income for the three months ended March 31, 2024	-	-	-	-	75,606	75,606	-	-	-	-	-	75,606	13,138	88,744
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	144,509	6	-	144,515	-	144,515	46,014	190,529
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	75,606	75,606	144,509	6	-	144,515	-	220,121	59,152	279,273
Conversion of convertible bonds	32,843	257,583	-	-	-	-	-	-	-	-	-	290,426	-	290,426
Recall of restricted employee stock	(179)	179	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments transactions	-	(490)	-	-	-	-	-	-	-	-	-	(490)	(129)	(619)
Balance at March 31, 2024	\$ 1,018,265	3,827,693	382,389	347,737	2,653,027	3,383,153	(259,350)	(14,190)	(37,446)	(310,986)	(47,301)	7,870,824	1,363,657	9,234,481

See accompanying notes to consolidated financial statements.

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

**Swancor Holding Company Limited and subsidiaries****Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 131,295	38,468
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	63,428	63,676
Amortization expenses	2,759	3,667
Expected credit losses	7,473	4,874
Net gains on financial assets or liabilities at fair value through profit	(10,026)	(4,126)
Interest expense	7,157	15,782
Interest income	(15,495)	(8,577)
Share-based payment transactions	(619)	1,178
Share of profit of associates and joint ventures accounted for using equity method	5,795	18,192
Losses on disposal of property, plant and equipment	21	120
Gains on disposal of investment	-	(498)
Amortization of deferred income	(1,340)	(1,250)
Gains on lease modification	-	(237)
<b>Total adjustments to reconcile profit</b>	<b>59,153</b>	<b>92,801</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Increase in notes receivable	(64,063)	(86,235)
(Increase) decrease in accounts receivable	(191,793)	497,889
(Increase) decrease in other receivables	(817)	593
(Increase) decrease in inventories	(55,348)	32,567
Decrease in prepayments	9,230	10,414
Decrease in other operating assets	(9,305)	(7,158)
<b>Total changes in operating assets</b>	<b>(312,096)</b>	<b>448,070</b>
Changes in operating liabilities:		
Increase (decrease) in notes payable	257,054	(158,404)
Increase (decrease) in accounts payable	58,263	(207,657)
(Decrease) increase in accounts payable to related parties	(31,668)	22,243
Decrease in other payables	(27,909)	(53,374)
Increase (decrease) in other operating liabilities	8,185	(3,284)
<b>Total changes in operating liabilities</b>	<b>263,925</b>	<b>(400,476)</b>
<b>Total adjustments</b>	<b>10,982</b>	<b>140,395</b>
Cash inflow generated from operations	142,277	178,863
Interest received	15,552	8,679
Interest paid	(3,907)	(12,029)
Income taxes received (paid)	23,822	(26,503)
<b>Net cash flows from operating activities</b>	<b>177,744</b>	<b>149,010</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(13,182)	(43,609)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,181	-
Acquisition of financial assets at fair value through profit or loss	(343,644)	(133,069)
Proceeds from disposal of financial assets at fair value through profit or loss	-	99
Proceeds from disposal of financial liabilities at fair value through profit or loss	-	(271)
Acquisition of property, plant and equipment	(146,750)	(115,019)
Proceeds from disposal of property, plant and equipment	19	1,495
Increase in refundable deposits	(4,590)	(1,008)
Acquisition of intangible assets	(7,512)	(1,195)
(Increase) decrease in other financial assets	(420,703)	61,557
Increase in prepayments for business facilities	(73,468)	(18,342)
<b>Net cash flow used in investing activities</b>	<b>(1,007,649)</b>	<b>(249,362)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	251,833	373,872
Decrease in short-term borrowings	(272,732)	(596,122)
Repayments of long-term borrowings	(14,982)	(12,058)
Decrease in guarantee deposits received	(5)	-
Repayments of lease liabilities	(5,791)	(4,074)
<b>Net cash flow used in financing activities</b>	<b>(41,677)</b>	<b>(238,382)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>43,192</b>	<b>10,217</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(828,390)</b>	<b>(328,517)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,065,552</b>	<b>2,527,070</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,237,162</b>	<b>2,198,553</b>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Swancor Holding Company Limited and subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Swancor Holding Company Limited (the “Company”) was incorporated on August 31, 2016 as a Company limited by transferred preference shares from Swancor Industrial Company Limited (Swancor) and registered under the Company Act of the Republic of China (ROC), wherein the Company’s shares were listed on the Taiwan stock Exchange (TNSE) on the same day. The Company and its subsidiaries (together referred to as the “Group”) is primarily involved in the manufacturing and trading business of precision chemical materials, Vinyl Ester Resins & UP Resin light composite material resins, energy conservation LED resins, energy conservation wind power laminar resins and painting.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements for the three Months ended March 31, 2024 and 2023 were authorized for issuance by the board of directors on May 9, 2024.

**(3) New standards, amendments and interpretations adopted:**

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

- (b) 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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	January 1, 2027

(Continued)

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

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the (following) other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 21 “Lack of Exchangeability”

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

**(b) Basis of consolidation**

**(i) List of subsidiaries in the consolidated financial statements**

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			March 31, 2024	December 31, 2023	March 31, 2023
Swancor Holding	Swancor Innovation & Incubation Co., Ltd. (Swancor Innovation & Incubation)	Management consulting	100% (Note 1)	100%	100% (Note 1)
Swancor Holding	S-Wanlai Co., Ltd. (S-Wanlai)	Producing and selling of synthetic chemicals	100% (Note 1)	100%	100% (Note 1)
Swancor Holding	Swancor Carbon Fiber Composites Corporation., Ltd. (Sunwell Carbon Fiber Composites)	Producing and selling of carbon	86.42%	86.42%	86.42%
Swancor Holding	Strategic Capital Holding Ltd. (Strategic)	Investing and holding of subsidiaries	100%	100%	100%

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		
			March 31, 2024	December 31, 2023	March 31, 2023
Swancor Holding	Swancor Recycling Technology(Jiangsu) Ltd. (Swancor Recycling)	Producing and selling of recycled carbon fiber and glass fiber	100% (Note 1)	100%	-%
Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composite Co., Ltd. (Sunwell (Jiangsu) Carbon Fiber Composite)	Producing and selling of carbon	83.89%	83.89%	83.89%
Sunwell Carbon Fiber Composite	COTECH, INC. (COTECH)	Producing and selling of carbon	80.82% (Note 1)	80.82%	80.82% (Note 1)
Strategic	Swancor Ind. Co., Ltd. (Samoa) (Swancor)	Investing and holding of subsidiaries	100%	100%	100%
Strategic	Swancor Advanced Materials Co., Ltd. (Swancor Advanced Materials)	Producing and selling Vinyl Ester Resins and light composite material resins	15.20%	15.20%	15.20%
Swancor	Swancor Advanced Materials	Producing and selling Vinyl Ester Resins and light composite material resins	64.03%	64.03%	64.04%
Swancor Advanced Materials	Swancor (Tianjin) Wind Blade Materials Co., Ltd. (Swancor (Tianjin))	Producing and selling of energy conservation wind power laminar resins	100%	100%	100%
Swancor Advanced Materials	Swancor (Jiangsu) New Materials Co., Ltd. (Swancor (Jiangsu))	Producing and selling of energy conservation wind power laminar resins	100%	100%	100%
Swancor Advanced Materials	Swancor (HK) Investment Co., Ltd. (Swancor (HK))	Investing and holding of subsidiaries	100%	100%	100%
Swancor Advanced Materials	Shandong Longneng Renewable Resources Utilization Co.,Ltd. (Shandong Longneng)	Wind power and turbines are recycled, and then processed, sold and traded.	55% (Note 1)	55%	-%
Swancor (HK)	Swancor Ind(M) SDN.BHD. (Swancor Ind(M))	Producing and selling Vinyl Ester Resins and light composite material resins	100% (Note 1)	100%	100% (Note 1)
Swancor (HK)	Swancor Highpolymer Co., Ltd. (Swancor Highpolymer)	Producing and selling Vinyl Ester Resins and light composite material resin	100%	100%	100%

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

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

(Continued)

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

- (ii) Changes in ownership of subsidiaries from January 1, 2023 to March 31, 2024 were as follow :

The Group invested an additional amount of \$150,000 thousand in its subsidiary, S-Wanlai, on May 8, 2023; and the related registration procedures had been completed.

In October 31, 2023, Swancor Advanced Materials acquired 55% equity interest in Shandong Longneng.

The Group invested an additional amount of \$157,150 thousand in its subsidiary, Swancor Recycling, on November 7, 2023; and the related registration procedures had been completed.

- (c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

- (d) Income taxes

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

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

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

(Continued)

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

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

**(a) Cash and Cash Equivalents**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Pretty cash and cash on hand	\$ 598	632	466
Demand deposits	1,368,056	1,847,998	820,845
Time deposits	<u>868,508</u>	<u>1,216,922</u>	<u>1,377,242</u>
Cash and cash equivalents in the consolidated statement of cash flow	<u><b>\$ 2,237,162</b></u>	<u><b>3,065,552</b></u>	<u><b>2,198,553</b></u>

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Financial assets designated at fair value through profit or loss :</b>			
Structured depposit	\$ 294,277	-	133,468
Convertible corporate bonds- call right	2,643	-	749
Derivative instruments not used for hedging-Forward exchange contracts	-	48	-
Stocks listed on domestic markets	2,402	2,586	2,297
Stocks unlisted on domestic markets	<u>50,480</u>	<u>-</u>	<u>665,904</u>
Total	<u><b>\$ 349,802</b></u>	<u><b>2,634</b></u>	<u><b>802,418</b></u>

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Financial liabilities mandatorily measured at fair value through profit or loss :</b>			
Convertible corporate bonds- put right	\$ -	436	-
Derivative instruments not used for hedging-Forward exchange contracts	-	-	359
<b>Total</b>	<b>\$ -</b>	<b>436</b>	<b>359</b>

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

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

<b>December 31, 2023</b>			
	<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
Forward exchange contracts	EUR 83	TWD to EUR	2023.12.31~2024.01.15
	EUR 79	TWD to EUR	2023.12.15~2024.01.12
	EUR 76	TWD to EUR	2024.01.23~2024.02.11
<b>March 31, 2023</b>			
	<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
Forward exchange contracts	EUR 766	TWD to EUR	2023.04.10~2023.06.23
	USD 1,009	TWD to USD	2023.04.09~2023.07.10

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Debt investments at fair value through other comprehensive income :</b>			
Corporate bonds	\$ 116,076	101,682	81,829
<b>Equity investments at fair value through other comprehensive income :</b>			
Stocks listed on domestic markets	\$ 47,000	45,650	49,199
Stocks unlisted on domestic markets	105,031	105,031	25,031
Subtotal	152,031	150,681	74,230
<b>Total</b>	<b>\$ 268,107</b>	<b>252,363</b>	<b>156,059</b>

(Continued)

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

(i) Debt investments at fair value through other comprehensive income

The Group has assessed that the securities were held within a business model whose objective was achieved by collecting the contractual cash flows and by selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2024 and 2023.

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

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

(iii) The amounts of other comprehensive profit or loss which were recognized at fair value for the three months ended March 31, 2024 and 2023, were \$6 thousand and \$2,837 thousand, respectively.

(d) Notes and Accounts receivable

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes receivable from operating activities	\$ 295,016	322,493	1,980,523
Notes receivable-fair value through other comprehensive income	751,741	660,035	561,373
Less: Loss allowance	<u>(4,709)</u>	<u>(3,745)</u>	<u>(5,068)</u>
	<b><u>\$ 1,042,048</u></b>	<b><u>978,783</u></b>	<b><u>2,536,828</u></b>
Accounts receivable - measured as amortized cost	\$ 2,304,834	2,112,749	2,001,330
Less: Loss allowance	<u>(16,950)</u>	<u>(9,983)</u>	<u>(25,255)</u>
	<b><u>\$ 2,287,884</u></b>	<b><u>2,102,766</u></b>	<b><u>1,976,075</u></b>

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

(Continued)



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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2024, December 31, 2023 and March 31, 2023. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of March 31, 2024, December 31, 2023 and March 31, 2023 were determined as follows:

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

  

<b>December 31, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,854,563	0.06 %	1,662
Overdue 1 to 90 days	162,002	1.48 %	2,398
Overdue 91 to 180 days	68,658	1.86 %	1,276
Overdue 181 to 270 days	6,155	73.00 %	4,493
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	<u>3,899</u>	100 %	<u>3,899</u>
Total	<u><u>\$ 3,095,277</u></u>		<u><u>13,728</u></u>

(Continued)

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

	<b>March 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 4,180,290	0.10 %	4,296
Overdue 1 to 90 days	325,139	0.28 %	913
Overdue 91 to 180 days	19,977	36.51 %	7,294
Overdue 181 to 270 days	-	- %	-
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	-	- %	-
<b>Total</b>	<b>\$ 4,525,406</b>		<b>12,503</b>

The loss allowance provision from the other group as of March 31, 2023 were determined as follows:

	<b>March 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ -	- %	-
Overdue 1 to 90 days	-	- %	-
Overdue 91 to 180 days	-	- %	-
Overdue 181 to 270 days	-	- %	-
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	17,820	100%	17,820
<b>Total</b>	<b>\$ 17,820</b>		<b>17,820</b>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 13,728	25,353
Impairment losses recognized	7,473	4,874
Foreign exchange losses	458	96
<b>Balance on March 31</b>	<b>\$ 21,659</b>	<b>30,323</b>

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

(Continued)

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

As of March 31, 2023, the Group sold its notes receivable without recourse as follows:

<b>March 31, 2023</b>				
<b>Purchaser</b>	<b>Assignment Facility</b>	<b>Factoring Line</b>	<b>Advanced Amount</b>	<b>Range of Interest Rate</b>
China CITIC Bank	\$ 288,921	-	288,921	1.28%
China CITIC Bank	107,801	-	107,801	1.47%
	<b>\$ 396,722</b>	<b>-</b>	<b>396,722</b>	

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 \$539,385 thousand, \$400,397 thousand and \$451,073 thousand of trade receivables to an unrelated third party as of March 31, 2024, December 31, 2023 and March 31, 2023. However, if the acceptor (accepting bank) refuses to pay when due, the Group is obliged to pay off to the endorser serve. The acceptor has relatively high credit rating. Under normal circumstances, the Group didn't expect the acceptor to refuse to pay. At the time of transfer, the Group provided a guarantee on those trade receivables to the transferee. Therefore, the Group continues to recognize the full carrying value of the trade receivables transferred, and recognized the cash received from the transfer as a guaranteed loan. In addition, as of March 31, 2024, December 31, 2023 and March 31, 2023, the notes receivable for the transfer of endorsements that have not yet expired were \$751,741 thousand, \$660,035 thousand and \$561,373 thousand, respectively, which did not meet the conditions for financial assets had not derecognized.

(e) Inventories

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Raw materials	\$ 308,551	339,110	409,157
Finished goods	449,020	365,122	437,542
Goods	16,280	17,736	18,707
Inventory in transit	4,122	657	1,478
	<b>\$ 777,973</b>	<b>722,625</b>	<b>866,884</b>

The cost of goods sold were as follows :

<b>For the three months ended March 31</b>		
	<b>2024</b>	<b>2023</b>
Inventory that has been sold	\$ 1,369,831	1,355,844
Write-down of inventories (reversal of write-downs)	(1,237)	21,093
Loss (gain) on physical inventory	676	(140)
Loss on inventory retired	40	1,690
	<b>\$ 1,369,310</b>	<b>1,378,487</b>

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

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

(f) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	\$ <u>911,378</u>	<u>881,689</u>	<u>905,672</u>

(i) Associates

Name of Associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights		
			March 31, 2024	December 31, 2023	March 31, 2023
Anhui Meijia New Materials Co., Ltd.	The main business is production and sales of environmental protective and corrosion resistant resin, lightweight composite resin, for the group to expand the wind power industry affiliated companies.	China	23.81%	23.81%	23.81%

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts of individually insignificant associate's equity	\$ <u>911,378</u>	<u>881,689</u>	<u>905,672</u>

	For the three months ended March 31	
	2024	2023
Attributable to the Group:		
Net loss	\$ <u>(5,795)</u>	<u>(18,192)</u>

(ii) Collaterals

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

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

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

(Continued)

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

(g) Loss control of subsidiaries

The Group lost its control over Synera Renewable Energy due to the disposal of its 95% shares in it on October 24, 2019. Since the share price had fluctuated from \$717,721 thousand to \$2,959,604 thousand (USD23,019 thousand to USD94,920 thousand), the Group recognized a gain of \$482,054 thousand based on the most likely price of \$717,721 thousand and had received in 2021.

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

The amount of \$1,835,374 thousand and \$1,599,707 thousand had been collected and recognized, respectively, due to disposal transactions mentioned above as of December 31, 2023.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiary was as follows:

<b>Subsidiaries</b>	<b>Main operation place</b>	<b>Percentage of non- controlling interests</b>		
		<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Swancor Advanced Materials	China	20.77%	20.77%	20.76%

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

The collective financial information of Swancor Advanced Materials:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current assets	\$ 5,926,785	5,582,229	5,428,481
Non-current assets	2,329,535	2,211,659	2,164,329
Current liabilities	(2,706,241)	(2,467,358)	(2,451,141)
Non- current liabilities	(30,893)	(55,888)	(11,177)
Net assets	<u>\$ 5,519,186</u>	<u>5,270,642</u>	<u>5,130,492</u>
Non-controlling interests	<u>\$ 1,146,335</u>	<u>1,094,712</u>	<u>1,065,090</u>

(Continued)

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating revenue	\$ 1,476,202	1,424,800
Net Operating income	80,898	61,339
Other comprehensive income	(53,579)	(8,568)
Comprehensive income	<u>\$ 27,319</u>	<u>52,771</u>
Profit, attributable to non-controlling interests	<u>\$ 16,803</u>	<u>12,734</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 5,674</u>	<u>10,955</u>
Net cash flows from operating activities	\$ 46,357	(106,072)
Net cash flows from investing activities	(479,924)	(148,865)
Net cash flows from financing activities	(4,897)	6,113
Net decrease in cash and cash equivalents	<u>\$ (438,464)</u>	<u>(248,824)</u>
Dividend paid to non-controlling interest	<u>\$ -</u>	<u>-</u>

(i) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group were as follows:

	<b>Land</b>	<b>Buildings and Structures</b>	<b>Machinery and Equipment</b>	<b>Other Equipment</b>	<b>Construction in progress and Prepayments for land</b>	<b>Total</b>
<b>Cost:</b>						
Balance at January 1, 2024	\$ 780,227	1,610,497	1,112,812	778,736	1,155,325	5,437,597
Additions	-	32,159	49,990	4,239	60,362	146,750
Disposals	-	-	(526)	(4,423)	-	(4,949)
Reclassification	-	120,957	20,355	3,696	(151,115)	(6,107)
Effect of movements in exchange rates	-	44,919	31,659	17,551	3,440	97,569
Balance at March 31, 2024	<u>\$ 780,227</u>	<u>1,808,532</u>	<u>1,214,290</u>	<u>799,799</u>	<u>1,068,012</u>	<u>5,670,860</u>

(Continued)

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

	<b>Land</b>	<b>Buildings and Structures</b>	<b>Machinery and Equipment</b>	<b>Other Equipment</b>	<b>Construction in progress and Prepayments for land</b>	<b>Total</b>
Balance at January 1, 2023	\$ 780,227	1,629,445	1,085,980	718,118	661,767	4,875,537
Addition	-	-	4,564	4,136	75,614	84,314
Disposals	-	(64)	(6,096)	(7,387)	-	(13,547)
Reclassification	-	10	18,588	4,185	(2,749)	20,034
Effect of movements in exchange rates	-	3,067	2,357	2,008	123	7,555
Balance at March 31, 2023	<u>\$ 780,227</u>	<u>1,632,458</u>	<u>1,105,393</u>	<u>721,060</u>	<u>734,755</u>	<u>4,973,893</u>
<b>Depreciation:</b>						
Balance at January 1, 2024	\$ -	586,258	494,441	503,921	-	1,584,620
Depreciation	-	18,219	21,927	17,720	-	57,866
Disposals	-	-	(526)	(4,383)	-	(4,909)
Reclassification	-	(207)	-	207	-	-
Effect of movements in exchange rates	-	15,438	13,990	12,462	-	41,890
Balance at March 31, 2024	<u>\$ -</u>	<u>619,708</u>	<u>529,832</u>	<u>529,927</u>	<u>-</u>	<u>1,679,467</u>
Balance at January 1, 2023	\$ -	521,041	434,697	449,837	-	1,405,575
Depreciation	-	18,227	21,230	18,868	-	58,325
Disposals	-	(51)	(6,027)	(5,854)	-	(11,932)
Reclassification	-	(145)	-	145	-	-
Effect of movements in exchange rates	-	1,370	1,147	1,344	-	3,861
Balance at March 31, 2023	<u>\$ -</u>	<u>540,442</u>	<u>451,047</u>	<u>464,340</u>	<u>-</u>	<u>1,455,829</u>
<b>Carrying amounts:</b>						
Balance at January 1, 2024	<u>\$ 780,227</u>	<u>1,024,239</u>	<u>618,371</u>	<u>274,815</u>	<u>1,155,325</u>	<u>3,852,977</u>
Balance at March 31, 2024	<u>\$ 780,227</u>	<u>1,188,824</u>	<u>684,458</u>	<u>269,872</u>	<u>1,068,012</u>	<u>3,991,393</u>
Balance at January 1, 2023	<u>\$ 780,227</u>	<u>1,108,404</u>	<u>651,283</u>	<u>268,281</u>	<u>661,767</u>	<u>3,469,962</u>
Balance at March 31, 2023	<u>\$ 780,227</u>	<u>1,092,016</u>	<u>654,346</u>	<u>256,720</u>	<u>734,755</u>	<u>3,518,064</u>

For the three months ended March 31, 2024, and 2023, the amount of interest capitalization was \$3,538 thousand and \$2,354 thousand, respectively.

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

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

(j) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Total</u>
<b>Carrying amount:</b>				
Balance at January 1, 2024	\$ <u>218,351</u>	<u>20,086</u>	<u>747</u>	<u>239,184</u>
Balance at March 31, 2024	\$ <u>224,814</u>	<u>17,042</u>	<u>844</u>	<u>242,700</u>
Balance at January 1, 2023	\$ <u>228,679</u>	<u>21,885</u>	<u>953</u>	<u>251,517</u>
Balance at March 31, 2023	\$ <u>227,894</u>	<u>24,627</u>	<u>628</u>	<u>253,149</u>

The Group had no significant additions, disposal, or recognition and reversal of impairment losses of leased land, building, equipment, and transportation equipment for the three months ended March 31, 2024, December 31, 2023 and March 31, 2023. Please refer to note 6(m) to the 2023 annual consolidated financial statements for other related information.

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

(k) Intangible Assets

	<u>Technique</u>	<u>Computer software</u>	<u>Total</u>
<b>Carrying value:</b>			
Balance at January 1, 2024	\$ <u>37,051</u>	<u>10,479</u>	<u>47,530</u>
Balance at March 31, 2024	\$ <u>42,729</u>	<u>9,778</u>	<u>52,507</u>
Balance at January 1, 2023	\$ <u>44,129</u>	<u>9,788</u>	<u>53,917</u>
Balance at March 31, 2023	\$ <u>42,954</u>	<u>9,580</u>	<u>52,534</u>

The Group had no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024, December 31, 2023 and March 31, 2023. Please refer to note 6(n) to the 2023 annual consolidated financial statements for other related information.

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

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

(l) Other current assets, other current financial assets and other non-current assets

The other current assets, other current financial assets and others non-current assets of the Group were as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Other current assets :			
Temporary payments and payment on behalf of others	\$ 25,521	25,866	13,648
Guarantee deposit paid	7,294	1,675	1,786
Other-current	<u>80,772</u>	<u>71,886</u>	<u>51,440</u>
	<u><u>\$ 113,587</u></u>	<u><u>99,427</u></u>	<u><u>66,874</u></u>

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Other current financial assets :			
Time deposits with maturities of more than three months	\$ 1,958,102	1,522,022	-
Restricted bank deposits	<u>35,981</u>	<u>51,358</u>	<u>98,713</u>
	<u><u>\$ 1,994,083</u></u>	<u><u>1,573,380</u></u>	<u><u>98,713</u></u>

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Other non-current assets :			
Guarantee deposits paid	\$ 10,989	12,018	11,090
Prepayments for equipment	259,934	180,359	59,097
Restricted bank deposits	3,150	3,150	-
Others-non-current	<u>6,277</u>	<u>5,513</u>	<u>5,886</u>
	<u><u>\$ 280,350</u></u>	<u><u>201,040</u></u>	<u><u>76,073</u></u>

(Continued)

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

(m) Short-term borrowings

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unsecured bank loans	\$ 399,906	430,805	1,055,468
Secured bank loans	10,000	-	16,956
	<u><b>\$ 409,906</b></u>	<u><b>430,805</b></u>	<u><b>1,072,424</b></u>
Unused short-term credit lines	<u><b>\$ 4,093,282</b></u>	<u><b>3,468,746</b></u>	<u><b>3,322,770</b></u>
Range of interest rates	<u><b>1.85%~4.51%</b></u>	<u><b>1.94%~4.34%</b></u>	<u><b>1.30%~6.05%</b></u>

(i) Issuance and repayment of borrowings

For the three months ended March 31, 2024 and 2023, the Group obtained from short-term borrowings amounted to \$251,833 thousand and \$373,872 thousand with interest rate of 1.85%~4.51% and 1.64%~5.81%, respectively. The short-term borrowings are due in June 2024 to March 2025 and April 2023 to March 2024, respectively. For the three months ended March 31, 2024 and 2023, the repayment amounted to \$272,732 thousand and \$596,122 thousand, respectively.

(ii) Collateral for short-term borrowings

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

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

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Other payables :			
Other payables-salary	\$ 141,851	133,008	123,519
Other payables-employee compensation	934	1,242	276
Other payables-director's remuneration	1,867	25,824	551
Payables on equipment	98,024	87,729	26,376
Other	<u>271,073</u>	<u>294,935</u>	<u>203,812</u>
	<u><b>\$ 513,749</b></u>	<u><b>542,738</b></u>	<u><b>354,534</b></u>

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

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Other current liabilities:			
Temporary receipts	\$ 1,006	3,535	1,623
Receipts under custody	3,170	3,632	3,325
Current deferred revenue	5,372	5,221	4,923
Other	29,374	25,683	52,050
	<u><b>\$ 38,922</b></u>	<u><b>38,071</b></u>	<u><b>61,921</b></u>
Non-current liabilities:			
Non-current deferred revenue	\$ 48,110	47,623	44,180
Guarantee deposit received	944	949	862
Stock appreciation right liabilities	3,302	1,600	-
	<u><b>\$ 52,356</b></u>	<u><b>50,172</b></u>	<u><b>45,042</b></u>

Deferred revenue please refer to note 6(s).

(o) Long-term borrowings

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Secured bank loans	\$ 291,220	291,220	303,515
Unsecured bank loans	131,900	146,572	219,520
Other loans (Note)	41,226	39,295	39,168
Less: current portion	(119,496)	(80,063)	(70,203)
	<u><b>\$ 344,850</b></u>	<u><b>397,024</b></u>	<u><b>492,000</b></u>
Unused short-term credit lines	<u><b>\$ 1,193,980</b></u>	<u><b>2,193,980</b></u>	<u><b>181,000</b></u>
Range of interest rates	<u><b>1.98%~2.55%</b></u>	<u><b>1.98%~3.92%</b></u>	<u><b>1.98%~4.30%</b></u>

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

For the three months ended March 31, 2024 and 2023, the Group proceeded from long-term repayment amounted to \$14,982 thousand and \$12,058 thousand.

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**

(p) Bonds payable

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
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	(29,646)	(41,202)	(52,204)
Cumulative converted amount	(740,500)	(442,200)	(442,200)
Less: current portion	<u>(1,229,854)</u>	<u>(1,516,598)</u>	<u>-</u>
Corporate bonds issued balance at March 31, 2024	<u>\$ -</u>	<u>-</u>	<u><b>1,505,596</b></u>
Embedded derivative – call options, including financial asset at fair value through profit or loss	<u>\$ 2,643</u>	<u>-</u>	<u>749</u>
Embedded derivative – put options, including financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>436</u>	<u>-</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 135,769</u>	<u>167,600</u>	<u><b>167,600</b></u>

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	<u>\$ (3,079)</u>	<u>(3,957)</u>
Interest expense	<u>\$ 3,682</u>	<u>3,646</u>

There were no significant issues, repurchases and repayments of bonds payable for the three months ended March 31, 2024 and 2023. Please refer to note 6(s) to the 2023 annual consolidated financial statements for other related information.

(q) Lease liabilities

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	<u>\$ 12,128</u>	<u>16,532</u>	<u>18,836</u>
Non-current	<u>\$ 15,058</u>	<u>15,446</u>	<u>17,765</u>

(Continued)

**Swancor Holding Company Limited and subsidiaries**  
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The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>156</u>	<u>126</u>
Expenses relating to short-term leases	\$ <u>1,746</u>	<u>1,438</u>
Income from modification lease	\$ <u>-</u>	<u>(237)</u>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>7,693</u>	<u>5,638</u>

(i) Real estate leases

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group leases land and buildings for its office and factory space. The leases of office and factory space typically run for a period of 3 to 5 years. Some leases had not included an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

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

(r) Provisions

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Legal	\$ <u>7,900</u>	<u>7,900</u>	<u>7,900</u>

Due to the acquisition of COTECH, the Group assumed the responsibility for involving illegal fund raising, violating the Securities and Exchange Act by the chairman of COTECH, Qing Long, Wong, his spouse, Yu Wen, Shen, and other managers, Zu Wang Li and Ming Dao, Xiao in 2018. The Taichung District Court ruled that the four persons should be forfeited in amount of \$66,503 thousand on May 27, 2021. COTECH needs to recover \$26,430 thousand, based on the advice of the Group's legal counsel, the management estimates the most likely consequence is that COTECH should pay \$26,430 thousand to pay off this obligation, including the expected litigation costs, of which has been paid \$18,530 thousand for the three months ended March 31, 2024.

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

(s) Deferred income

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Deferred income	<u>\$ 53,482</u>	<u>52,844</u>	<u>49,103</u>
Current	\$ 5,372	5,221	4,923
Non-current	<u>48,110</u>	<u>47,623</u>	<u>44,180</u>
	<u><u>\$ 53,482</u></u>	<u><u>52,844</u></u>	<u><u>49,103</u></u>

The Group received building construction grants from the government where the subsidiary is located in May 2023. The building has been used since December 2021, and the grant, was recognized as deferred income, has been amortized over the useful life of the building.

(t) Employee benefits

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31</b>	
	<u><b>2024</b></u>	<u><b>2023</b></u>
Operating cost	\$ 1,125	994
Selling expenses	306	285
Administrative expenses	1,012	1,012
Research and development expenses	<u>588</u>	<u>472</u>
	<u><u>\$ 3,031</u></u>	<u><u>2,763</u></u>

Other foreign subsidiaries recognized pension expenses of \$7,406 thousand and \$7,004 thousand for the three months ended March 31, 2024 and 2023, respectively, for the defined contribution plans based on their respective local government regulations.

(u) Income taxes

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

	<b>For the three months ended March 31</b>	
	<u><b>2024</b></u>	<u><b>2023</b></u>
Income tax expense	<u>\$ 42,551</u>	<u>20,464</u>

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

(ii) Assessment of tax

The Group's tax returns were assessed by the Taipei National Tax Administration as follows:

	<u>Assessed Year</u>
The Company	2022
S-Wanlai	2022
Swncor Innovation & Incubation	2022
Sunwell Carbon Fiber Composite	2022
COTECH	2022
Swancor Highpolymer	2022(Note 1)

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

(v) Capital and other equity

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

(i) Capital surplus

The balances of capital surplus were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Share capital	\$ 405,127	405,127	405,127
Premium on bonds conversion	1,246,320	956,906	956,906
Donation	253	253	253
Employee share options (overdue and not be executed)	8,151	8,151	8,151
Treasury share transactions	107,315	107,315	107,315
Expired stock option	41,059	41,059	41,059
Difference arising from subsidiary's share price and its carrying value	1,070,016	1,070,506	1,068,115
Stock transfer (from retained earnings of Swancor)	780,337	780,337	780,337
Restricted employee stock	33,346	33,167	-
Equity component of convertible bonds recognized in stock option	135,769	167,600	167,600
	<u><u>\$ 3,827,693</u></u>	<u><u>3,570,421</u></u>	<u><u>3,534,863</u></u>

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**Swancor Holding Company Limited and subsidiaries**  
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- 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.

(ii) **Retained earnings**

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company is currently in a growth stage. The Company's policy on the distribution of dividends to shareholders is subject to the Company's current and future investment environment, capital requirements, domestic and international competition and capital budget, taking into account the interests of shareholders and Company's long-term financial planning. The earning shall be allocated in respect of the accumulated distributable surplus, of which not less than 30% of the distributable surplus for the year ended December 31, 2024. The earning distribution can be settled by cash or by stocks and cash dividends shall not be more than 10% of total dividends.

1) **Legal reserve**

According to the amendment of the R.O.C. Company Act, the Company must retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of total capital. When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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2) Special reserve

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

3) Earnings distribution

The earnings distribution for 2023 and 2022 were decided during the Company's board meeting and the general meeting of the shareholders held on March 11, 2024 and May 29, 2023, respectively, as follows:

	<u>2023</u>	<u>2022</u>
Dividends distributed to ordinary shareholders		
Cash	\$ <u><u>487,527</u></u>	<u><u>487,091</u></u>

(iii) Treasury shares

- 1) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, as the March 23, 2020, the Board of Directors of the Company determined to repurchase 2,000 thousand shares during March 24 to May 23, 2020, at the price of \$37 to \$106 per share, as treasury shares, in order to encourage its employees.

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

(in thousands of shares)

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

The movement of treasury stock for the three months ended March 31, 2023 was as follows:

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

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- 2) In accordance with Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. As of December 31, 2019, the Company could repurchase no more than 7,849 thousand shares, with a total value of no more than \$2,790,383 thousand.
- 3) In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(iv) Other equity(net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total
Balance at January 1, 2024	\$ (403,859)	(14,196)	(37,446)	(455,501)
Exchange differences on foreign operations	144,509	-	-	144,509
Net change in fair value of investments in financial assets at FVTOCI	-	6	-	6
Balance at March 31, 2024	<u>\$ (259,350)</u>	<u>(14,190)</u>	<u>(37,446)</u>	<u>(310,986)</u>
Balance at January 1, 2023	\$ (333,092)	(14,645)	-	(347,737)
Exchange differences on foreign operations	14,502	-	-	14,502
Net change in fair value of investments in financial assets at FVTOCI	-	2,837	-	2,837
Balance at March 31, 2023	<u>\$ (318,590)</u>	<u>(11,808)</u>	<u>-</u>	<u>(330,398)</u>

(w) Share-based Payments

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

	For the three months ended March 31	
	2024	2023
Equity-settled share-based payment	\$ (619)	1,178
Cash-settled share-based payment	1,702	-
Total	<u>\$ 1,083</u>	<u>1,178</u>
Total carrying amount of liability for cash-settled arrangements (other non-current liability on account)	<u>\$ 3,302</u>	<u>-</u>

There were no significant changes of share-based payment for the three months ended March 31, 2024 and 2023. Please refer to note 6(z) to 2023 annual consolidated financial statements for other related information.

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(x) Earnings per Share

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders of the Company	<b>\$ 75,606</b>	<b>19,078</b>

2) Weighted average number of ordinary shares

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares at 31 December	<b>98,440</b>	<b>97,418</b>

3) Basic earnings per share

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Basic earnings per share	<b>\$ 0.77</b>	<b>0.20</b>

(ii) Diluted earnings per share

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders of the Company(basic)	\$ 75,606	19,078
Effect of dilutive potential ordinary shares		
Interest expense on convertible bonds, net of tax	483	(248)
Profit attributable to ordinary shareholders of the Company (diluted)	<b>\$ 76,089</b>	<b>18,830</b>

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2) Weighted average number of ordinary shares (diluted)

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares (basic)	98,440	97,418
Effect of dilutive potential ordinary shares		
Effect of conversion of convertible bonds	16,483	16,201
Effect of restricted employee shares unvested (Notes)	16	23
Weighted average number of ordinary shares (diluted)	<b>114,939</b>	<b>113,642</b>

3) Diluted earnings per share

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Diluted earnings per share	\$ <b>0.66</b>	<b>0.17</b>

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

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Primary geographical markets</u>		
Taiwan	\$ 282,041	287,906
China	757,859	762,528
Other	695,396	648,052
	<b>\$ 1,735,296</b>	<b>1,698,486</b>
	<b>2024</b>	<b>2023</b>
<u>Major products/services lines</u>		
Anti-corrosion material	\$ 652,074	741,513
Wind blade material	641,589	546,522
Circular economy material	5,396	-
Other	436,237	410,451
	<b>\$ 1,735,296</b>	<b>1,698,486</b>

(Continued)

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(ii) Contract balances

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Contract liability-advance payment	<u>\$ 16,464</u>	<u>10,681</u>	<u>30,409</u>

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

The amount of revenue recognized for the for the three months ended March 31, 2024 and 2023, that were included in the contract liability balance at the beginning of the period were \$8,072 thousand and \$17,303 thousand, respectively.

(z) Employee and directors' remuneration

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

For the three months ended March 31, 2024 and 2023, the Company estimated and reversed its employee remuneration amounting to \$934 thousand and \$276 thousand and directors' remuneration amounting to \$1,867 thousand and \$551 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

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

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(aa) Non-operating income and expenses

(i) Interest income

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 14,137	7,992
Interest income from bonds investment	1,358	585
	<b>\$ 15,495</b>	<b>8,577</b>

(ii) Other income

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Government subsidy	\$ 6,404	10,729
Other	2,097	2,082
	<b>\$ 8,501</b>	<b>12,811</b>

(iii) Other gains and losses

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Losses (gain) on disposal of property, plant and equipment	\$ (21)	(120)
Gains on disposal of investments	-	498
Foreign exchange gains (losses)	56,090	(8,014)
Gains on disposal of financial assets (liabilities) measured at fair value through profit or loss	10,026	4,126
	<b>\$ 66,095</b>	<b>(3,510)</b>

(Continued)

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(iv) Finance costs

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest expense-bank loans	\$ 2,921	13,646
Interest expense-lease liabilities	156	126
Interest expense-bonds	3,682	3,646
Interest expense-government loans	3,936	718
Less: capitalization of interest	(3,538)	(2,354)
	<b><u>\$ 7,157</u></b>	<b><u>15,782</u></b>

(ab) Financial instrument

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

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

Major clients of the Group are concentrated in composite material market. To minimize credit risk, the Group periodically evaluates its financial positions and will pledge a collateral if deemed necessary. Besides, the Group monitors and reviews the recoverable amounts of its trade receivables to ensure the uncollectible amounts are recognized appropriately as impairment loss. As of March 31, 2024, December 31, 2023 and March 31, 2023, the percentage of 8%, 9% and 4%, respectively, of accounts receivable were derived from major customers. Thus, the credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and other financial assets.

Debt investment at fair value through other comprehensive income include company bonds.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. The Group has no loss allowance provision for the three months ended March 31, 2024 and 2023.

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(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
<b>March 31, 2024</b>						
Non-derivative financial liabilities						
Secured loans	\$ 301,220	321,189	26,205	18,759	234,009	42,216
Unsecured loans	531,806	541,587	476,341	29,379	35,867	-
Other loans	41,226	45,102	45,102	-	-	-
Accounts payable (including related parties)	2,963,160	2,963,160	2,963,160	-	-	-
Bonds payable	1,229,854	1,259,500	1,259,500	-	-	-
Lease liability	27,186	28,620	12,595	4,342	8,052	3,631
	<u>\$ 5,094,452</u>	<u>5,159,158</u>	<u>4,782,903</u>	<u>52,480</u>	<u>277,928</u>	<u>45,847</u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities						
Secured loans	\$ 291,220	313,864	13,078	18,833	236,361	45,592
Unsecured loans	577,377	588,810	513,245	33,660	41,905	-
Other loans	39,295	40,751	-	40,751	-	-
Accounts payable (including related parties)	2,708,500	2,708,500	2,708,500	-	-	-
Bonds payable	1,516,598	1,557,800	1,557,800	-	-	-
Lease liability	31,978	33,531	17,038	4,707	7,766	4,020
	<u>\$ 5,164,968</u>	<u>5,243,256</u>	<u>4,809,661</u>	<u>97,951</u>	<u>286,032</u>	<u>49,612</u>
<b>March 31, 2023</b>						
Non-derivative financial liabilities						
Secured loans	\$ 320,471	344,624	31,782	17,089	246,229	49,524
Unsecured loans	1,274,988	1,298,923	1,136,007	97,650	61,403	3,863
Other loans	39,168	41,653	-	41,653	-	-
Accounts payable (including related parties)	2,154,349	2,154,349	2,154,349	-	-	-
Bonds payable	1,505,596	1,557,800	-	-	1,557,800	-
Lease liability	36,601	38,396	19,548	8,991	4,669	5,188
	<u>\$ 5,331,173</u>	<u>5,435,745</u>	<u>3,341,686</u>	<u>165,383</u>	<u>1,870,101</u>	<u>58,575</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Exchange rate risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2024				December 31, 2023			March 31, 2023		
	Foreign currency	Exchange rates	NTD		Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	42,394	32.000	1,356,608	47,792	30.705	1,467,453	35,266	30.45	1,073,850
EUR		2,120	34.46	73,055	1,529	33.98	51,955	1,655	33.15	54,863

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	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD	Foreign currency	Exchange rates	NTD
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	7,450	32.000	238,400	4,809	30.705	147,660	11,114	30.45	338,421
EUR	12	34.46	414	213	33.98	7,238	66	33.15	2,188

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, financial assets at fair value through other comprehensive income, financial liabilities at fair value through profit or loss, loans and borrowings and accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 0.5% of the NTD against the USD and EUR as at March 31, 2024 and 2023 would have increased (decreased) the net profit after tax by \$4,762 thousand and \$3,151 thousand, respectively.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$56,090 thousand and \$(8,014) thousand, respectively.

2) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 0.5%, with all other variable factor remaining constant, the Group's net income would have increased/decreased by \$3,497 thousand and \$6,382 thousand for the three months ended March 31, 2024 and 2023, respectively. This is mainly due to the Group's borrowing in variable rates.

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3) Other market price risk

For the three months ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31			
	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 0.5%	\$ 235	10	246	9
Decreasing 0.5%	(235)	(10)	(246)	(9)

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

	March 31, 2024				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 349,802	2,402	296,920	50,480	349,802
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks unlisted on domestic markets	105,031	-	-	105,031	105,031
Stocks listed on domestic markets	47,000	47,000	-	-	47,000
Original bonds	116,076	116,076	-	-	116,076
Subtotal	268,107	163,076	-	105,031	268,107
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	2,237,162	-	-	-	-
Notes, accounts and other receivables	3,346,919	-	-	-	-
Other financial assets-current	1,997,233	-	-	-	-
Refundable deposit	18,283	-	-	-	-
Subtotal	7,599,597	-	-	-	-
<b>Total</b>	<b>\$ 8,217,506</b>	<b>165,478</b>	<b>296,920</b>	<b>155,511</b>	<b>617,909</b>

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		March 31, 2024				
		Carrying	Fair Value			
		amount	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>						
<b>Financial liabilities measured at amortized cost</b>						
Short-term borrowings	409,906	-	-	-	-	-
Notes, accounts and other payables (including related parties)	2,963,160	-	-	-	-	-
Long-term borrowings, current portion	119,496	-	-	-	-	-
Long-term borrowings (including other loans)	344,850	-	-	-	-	-
Bonds payable	1,229,854	-	1,757,178	-	-	1,757,178
Current and non-current lease liabilities	27,186	-	-	-	-	-
<b>Total</b>	<b>\$ 5,094,452</b>	<b>-</b>	<b>1,757,178</b>	<b>-</b>	<b>-</b>	<b>1,757,178</b>
		December 31, 2023				
		Carrying	Fair Value			
		amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
<b>Financial assets at fair value through profit or loss</b>						
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 2,634	2,586	48	-	-	2,634
<b>Financial assets at fair value through other comprehensive income</b>						
Stocks unlisted on domestic markets	105,031	-	-	-	105,031	105,031
Stocks listed on domestic markets	45,650	45,650	-	-	-	45,650
Original bonds	101,682	101,682	-	-	-	101,682
Subtotal	252,363	147,332	-	-	105,031	252,363
<b>Financial assets measured at amortized cost</b>						
Cash and cash equivalents	3,065,552	-	-	-	-	-
Notes, accounts and other receivables	3,091,622	-	-	-	-	-
Other financial assets-current	1,576,530	-	-	-	-	-
Refundable deposit	13,693	-	-	-	-	-
Subtotal	7,747,397	-	-	-	-	-
<b>Total</b>	<b>\$ 8,002,394</b>	<b>149,918</b>	<b>48</b>	<b>105,031</b>	<b>-</b>	<b>254,997</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at fair value through profit or loss</b>						
Non derivative financial liabilities mandatorily measured at fair value through profit or loss	\$ 436	-	436	-	-	436
<b>Financial liabilities measured at amortized cost</b>						
Short-term borrowings	430,805	-	-	-	-	-
Notes, accounts and other payables (including related parties)	2,708,500	-	-	-	-	-
Long-term borrowings, current portion	80,063	-	-	-	-	-
Long-term borrowings (including other loans)	397,024	-	-	-	-	-
Bonds payable	1,516,598	-	1,800,809	-	-	1,800,809
Current and non-current lease liabilities	31,978	-	-	-	-	-
Subtotal	5,164,968	-	1,800,809	-	-	1,800,809
<b>Total</b>	<b>\$ 5,165,404</b>	<b>-</b>	<b>1,801,245</b>	<b>-</b>	<b>-</b>	<b>1,801,245</b>

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	March 31, 2023				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 802,418	2,297	134,217	665,904	802,418
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks unlisted on domestic markets	25,031	-	-	25,031	25,031
Stocks listed on domestic markets	49,199	49,199	-	-	49,199
Original bonds	81,829	81,829	-	-	81,829
Subtotal	156,059	131,028	-	25,031	156,059
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	2,198,553	-	-	-	-
Notes, accounts and other receivables	4,516,374	-	-	-	-
Other financial assets-current	98,713	-	-	-	-
Refundable deposits	12,876	-	-	-	-
Subtotal	6,826,516	-	-	-	-
<b>Total</b>	<b>\$ 7,784,993</b>	<b>133,325</b>	<b>134,217</b>	<b>690,935</b>	<b>958,477</b>
<b>Financial liabilities</b>					
<b>Financial liabilities measured at amortized cost</b>					
Non derivative financial liabilities mandatorily measured at fair value through profit or loss	\$ 359	-	359	-	359
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	1,072,424	-	-	-	-
Notes, accounts and other payables (including related parties)	2,154,349	-	-	-	-
Long-term borrowings, current portion	70,203	-	-	-	-
Long-term borrowings (including other loans)	492,000	-	-	-	-
Bonds payable	1,505,596	-	1,772,779	-	1,772,779
Current and non-current lease liabilities	36,601	-	-	-	-
Subtotal	5,331,173	-	1,772,779	-	1,772,779
<b>Total</b>	<b>\$ 5,331,532</b>	<b>-</b>	<b>1,773,138</b>	<b>-</b>	<b>1,773,138</b>

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.

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3) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

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

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

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

4) Transfers between Level 1 and Level 2

There were no transfers from one level to another level for the three months ended March 31, 2024 and 2023.

5) Reconciliation of Level 3 fair values

	<b>Fair value through profit or loss (Unquoted equity instruments)</b>	<b>Fair value through other comprehensive income (Unquoted equity instruments)</b>
Opening balance on January 1, 2024	\$ -	105,031
Purchased	50,480	-
Balance at March 31, 2024	<u><u>\$ 50,480</u></u>	<u><u>105,031</u></u>
Opening balance on January 1, 2023 (as the same balance at March 31, 2023)	<u><u>\$ 665,904</u></u>	<u><u>25,031</u></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.

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Therefore, there were no interrelationships from one input to another.

Quantified information of significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets measured at fair value through profit or loss - equity investments without an active market- Synera Renewable Energy	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>• Cost of equity Ratio (As of March 31, 2023 was 9.12% )</li> <li>• Lack of marketability (As of March 31, 2023 was 19% )</li> </ul>	<ul style="list-style-type: none"> <li>• the higher the Cost of equity Ratio, the higher the fair value</li> <li>• the higher the lack of marketability discount, the lower the fair value</li> </ul>
Financial assets measured at fair value through profit or loss- equity investments without an active market- F I International	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>• Cost of equity Ratio (As of March 31, 2023 was 9.12% )</li> <li>• Lack of marketability (As of March 31, 2023 was 19%)</li> </ul>	<ul style="list-style-type: none"> <li>• the higher the Cost of equity Ratio, the higher the fair value</li> <li>• the higher the lack of marketability discount, the lower the fair value</li> </ul>
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"> <li>• Price-Book Ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 1.59~2.06, 1.59~2.06 and 2.02~2.42, respectively)</li> <li>• Price-to-Sales Ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 0.59~1.48, 0.59~1.48 and 0.63~1.58, respectively)</li> <li>• Lack of marketability discount (As of March 31, 2024, December 31, 2023 and March 31, 2023 were all 35%)</li> </ul>	<ul style="list-style-type: none"> <li>• the higher the Price-Book Ratio, the higher the fair value</li> <li>• the higher the Price-to-Sales Ratio, the higher the fair value</li> <li>• the higher the lack of marketability discount, the lower the fair value</li> </ul>
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"> <li>• Price-Book Ratio (As of March 31, 2024 and December 31, 2023 were both 3.19)</li> <li>• Price-to-Sales Ratio (As of March 31, 2024 and December 31, 2023 were both 4.14)</li> <li>• Lack of marketability discount (As of March 31, 2024 and December 31, 2023 were both 35%)</li> </ul>	<ul style="list-style-type: none"> <li>• the higher the Price-Book Ratio, the higher the fair value</li> <li>• the higher the Price-to-Sales Ratio, the higher the fair value</li> <li>• the higher the lack of marketability discount, the lower the fair value</li> </ul>

(Continued)

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

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement of financial instruments is reasonable. However, the use of different evaluation models or evaluation parameters may result in different evaluation results.

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		Change	Profit or loss		Other	
	Input	up or			comprehensive income	
	value	down	Favorable	Unfavorable	Favorable	Unfavorable
March 31, 2024						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)
December 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	105,031	0.5 %	-	-	525	(525)
March 31, 2023						
Financial assets at fair value through profit or lost						
Equity investments without an active market	665,904	0.5 %	3,330	(3,330)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	25,031	0.5 %	-	-	125	(125)

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

(ac) Financial risk management

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

(Continued)

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

(ad) Capital management

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

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

The Group's investing and financing activities, which did not affect its current cash flow in the three months ended March 31, 2024 and 2023, were as follows:

- (i) For acquisition of right-of-use assets through lease, please refer to note 6(j).
- (ii) For treasury shares, please refer to notes 6(v).
- (iii) For shared-based payments, please refer to notes 6(w).

Reconciliation of liabilities arising from financing activities were as follows:

	Non-cash changes						March 31, 2024
	January 1, 2024	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 430,805	(20,899)	-	-	-	-	409,906
Long-term borrowings (including current portion)	437,792	(14,982)	-	-	310	-	423,120
Other loans (including deferred income)	92,139	-	-	3,571	(1,002)	-	94,708
Lease liabilities (including current portion)	31,978	(5,791)	620	379	-	-	27,186
Bonds payable	1,516,598	-	-	-	3,682	(290,426)	1,229,854
Total liabilities from financing activities	<u>\$ 2,509,312</u>	<u>(41,672)</u>	<u>620</u>	<u>3,950</u>	<u>2,990</u>	<u>(290,426)</u>	<u>2,184,774</u>
	Non-cash changes						March 31, 2023
	January 1, 2023	Cash flows	Increase (Decrease)	Foreign exchange movement	Amortization	Transferred shares and Capital surplus	
Short-term borrowings	\$ 1,294,674	(222,250)	-	-	-	-	1,072,424
Long-term borrowings (including current portion)	534,549	(12,058)	-	153	391	-	523,035
Other loans (including deferred income)	88,775	-	-	419	(923)	-	88,271
Lease liabilities (including current portion)	34,751	(4,074)	5,890	34	-	-	36,601
Bonds payable	1,502,045	-	-	-	3,646	(95)	1,505,596
Total liabilities from financing activities	<u>\$ 3,454,794</u>	<u>(238,382)</u>	<u>5,890</u>	<u>606</u>	<u>3,114</u>	<u>(95)</u>	<u>3,225,927</u>

(Continued)



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

**(7) Related-party transactions:**

(a) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Anhui Meijia New Materials Co., Ltd. (Meijia New Materials)	Associate of the Group
Wan-Cong, Wong	Director of the subsidiary of the Group
Qian-Xiu, Wong	Relative within second degree of relationship of director of the subsidiary of the Group
Yun-Zhe, Wong	Relative within second degree of relationship of director of the subsidiary of the Group
Qing-Long, Wong	Relative within first degree of relationship of director of the subsidiary of the Group

(b) Significant transactions with related parties

(i) Purchase

The Group purchase from related parties were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates-Meijia New Materials	\$ <u><b>48,923</b></u>	<u><b>37,262</b></u>

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

(ii) Borrowings from Related Parties

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

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

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

(Continued)

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

(iii) Payable from Related Parties

The payable from associate were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable	Associate - Meijia New Materials	\$ <u>54,726</u>	<u>86,394</u>	<u>26,561</u>

(c) Key management personnel compensation

Key management personnel compensation comprised the following details:

	<b>For the three months ended March 31</b>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 11,262	8,714
Post-employment benefits	266	192
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>\$ 11,528</u>	<u>8,906</u>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land	Bank loans	\$ 540,921	540,921	540,921
Buildings	Bank loans	258,445	621,095	642,687
Right-of-use asset	Bank loans	12,553	153,968	160,229
Restricted bank deposit (other financial assets- current and non-current)	Bank's acceptance bill, Bank loans, forward exchange contract and stand by L/C and bank guarantee	38,131	53,508	98,713
Restricted bank deposit (other financial assets- current and non-current)	Guarantee letter of convertible bond and bank loans	1,000	1,000	-
		<u>\$ 851,050</u>	<u>1,370,492</u>	<u>1,442,550</u>

(Continued)

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

**(9) Significant commitments and contingencies:**

- (a) Unrecognized contractual commitments

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	\$ <u>124,452</u>	<u>257,498</u>	<u>584,936</u>

- (b) Outstanding standby letter of credit

	March 31, 2024	December 31, 2023	March 31, 2023
Outstanding standby letter of credit	\$ <u>110,000</u>	<u>115,997</u>	<u>74,388</u>

- (c) Contingencies: None.

- (d) Other: None.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other:**

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

By function	For the three months ended March 31					
	2024			2023		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	40,614	81,619	122,233	39,655	76,157	115,812
Labor and health insurance	4,296	7,277	11,573	3,706	7,176	10,882
Pension	3,543	6,894	10,437	3,346	6,421	9,767
Others	1,902	1,518	3,420	1,906	1,420	3,326
Depreciation	40,863	22,565	63,428	41,428	22,248	63,676
Amortization	-	2,759	2,759	-	3,667	3,667

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

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## SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The followings were the information on significant transactions, required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, of the Group:

##### (i) Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period (Note 5)	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss Allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Swancor Holding	Swancor	Other receivables	Yes	RMB16,000 71,130	RMB16,000 72,163	RMB14,400 64,947	4%	2	-	Operating purpose	-	-	-	3,148,330 (Note 1)	3,148,330 (Note 2)
1	Sunwell Carbon Fiber Composite	Sunwell (Jiangsu) Carbon Fiber Composites	Other receivables	Yes	RMB15,000 67,653	RMB15,000 67,653	RMB15,000 67,653	3.9%	2	-	Operating purpose	-	-	-	104,553 (Note 3)	278,807 (Note 3)
2	Swancor Highpolymer	Swancor Ind(M)	Other receivables	Yes	USD2,500 80,000	USD2,500 80,000	USD2,000 64,000	5.3%	2	-	Operating purpose	-	-	-	186,130 (Note 4)	496,346 (Note 4)

Note1 : The limited amount of loan to subsidiaries of the Group 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 shall not exceed 40% of the Company's net worth.

Note3 : According to the “Procedure for Loaning of Funds and Endorsements and Guarantees” issued by Sunwell Carbon Fiber Composite, the amount of endorsements and/or guarantees shall not exceed 15% of Sunwell Carbon Fiber Composites' net worth. The total amount of endorsements and/or guarantees shall not exceed 40% of Sunwell Carbon Fiber Composites' net worth.

Note4 : According to the “ Procedure for Loaning of Funds and Endorsements and Guarantees” issued by Swancor Highpolymer, the amount of endorsements and/or guarantees shall not exceed 15% of Swancor Highpolymers' net worth. The total amount of endorsements and/or guarantees shall not exceed 40% of Swancor Highpolymers' net worth.

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

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

Note6 : The transactions have been eliminated upon consolidation.

(Continued)

## SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	Swancor Holding	S-Wanlai	2	3,935,412	180,000	130,000	47,000	-	1.65 %	7,870,824	Y	N	N
0	Swancor Holding	Sunwell (Jiangsu) Carbon Fiber Composites	2	3,935,412	390,539	390,539	222,804	-	4.96 %	7,870,824	Y	N	Y
0	Swancor Holding	Yang-Bao	1	787,082	80,000	-	-	-	- %	7,870,824	N	N	N
1	Swancor Highpolymer	Swancor Ind(M)	1	620,433	128,000	128,000	-	-	10.32 %	1,240,865	N	N	N
1	Swancor Highpolymer	Swancor Advanced Materials	2	620,433	144,732	144,732	-	-	11.66 %	1,240,865	N	Y	Y
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,649,009	924,591	924,591	23,533	-	16.82 %	2,748,348	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,649,009	1,145,061	1,145,061	145,301	-	20.83 %	2,748,348	N	N	Y
2	Swancor Advanced Materials	Swancor Ind(M)	2	1,649,009	80,947	80,947	-	-	1.47 %	2,748,348	N	N	N

Note1 : The amount of endorsements and/or guarantees to subsidiaries of the Company shall not exceed 50% of the Company's net worth. The total amount of endorsements and/or guarantees to subsidiaries of the Company shall not exceed 100% of the Company's net worth. The amount of endorsements and/or guarantees to other parties expect subsidiaries shall not exceed 10% of the Company's net worth. The total amount of endorsements and/or guarantees to other parties expect subsidiaries shall not exceed 100% of the Company's net worth. For the parent company, the amount of endorsements and/or guarantees shall not exceed 50% of the Company's net worth.

Note2 : The amount of endorsements and/or guarantees to other parties shall not exceed 10% of the Company's net worth. The total amount of endorsements and/or guarantees to other parties shall not exceed 100% of the Company's net worth.

Note3 : According to the "Procedure for Loaning of Funds and Endorsements and Guarantees" issued by Swancor Advanced Materials, the amount of endorsements and/or guarantees shall not exceed 30% of Swancor Advanced Materials' net worth. The total amount of endorsements and/or guarantees shall not exceed 50% of Swancor Advanced Materials' net worth.

Note4 : According to the "Procedure for Loaning of Funds and Endorsements and Guarantees" issued by Swancor Highpolymer, the amount of endorsements and/or guarantees shall not exceed 50% of Swancor Highpolymer's net worth. The total amount of endorsements and/or guarantees shall not exceed 100% of Swancor Highpolymer's net worth.

Note5 : Relationship between guarantee providers and guarantee parties were as follows:

- 1) Entities with business relationship with the Company.
- 2) Entities which the Company, directly or indirectly, held more than 50% voting shares.
- 3) Entities which, directly or indirectly, held more than 50% voting shares of the Company.
- 4) Entities which the Company, directly or indirectly, held more than 90% voting shares.

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## SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures were not included):

(In Thousands of New Taiwan Dollars)

Name of holder	Name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Swancor Holding	Stock – China Communications Media Group Co., Ltd.		Financial assets at fair value through profit or loss-current	10	46	0.04 %	46	
Swancor Holding	Stock- Tsang Yow Industrial Co., Ltd.		Financial assets at fair value through profit or loss-current	26	792	0.03 %	792	
Swancor Holding	Stock – Aero Win Technology Corporation		Financial assets at fair value through profit or loss-current	12	565	0.02 %	565	
Swancor Holding	Stock – Koan Hau Technology Co., Ltd.		Financial assets at fair value through profit or loss-current	68	999	0.09 %	999	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through profit or loss-non-current	631	50,480	0.69 %	50,480	
Swancor Holding	Stock - Yang Bao		Financial assets at fair value through other comprehensive income - non-current	2,000	80,000	2.92 %	80,000	
Swancor Holding	Stock – Gigantex Composite Technologies Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	20	25,031	14.92 %	25,031	
Swancor Holding	Special Stock – WT Microelectronics Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	1,000	47,000	0.10 %	47,000	
Swancor Holding	Stock – Promix Composites, Inc.		Financial assets at fair value through other comprehensive income-non-current	1,500	-	10.00 %	-	
Swancor Holding	Stock- Ideal Star International Corp.		Financial assets at fair value through other comprehensive income-non-current	500,000	-	10.00 %	-	
Swancor Holding	Stock- Dell International LLC		Financial assets at fair value through other comprehensive income-non-current	-	4,357	- %	4,357	
Swancor Holding	Bonds-Citigroup Inc.		Financial assets at fair value through other comprehensive income-non-current	-	8,990	- %	8,990	
Swancor Holding	Bonds-AT & T Corporation		Financial assets at fair value through other comprehensive income-non-current	-	6,742	- %	6,742	
Swancor Holding	Stock- British Petroleum		Financial assets at fair value through other comprehensive income-non-current	-	5,694	- %	5,694	
Swancor Holding	Bonds-Hewlett Packard Company		Financial assets at fair value through other comprehensive income-non-current	-	5,411	- %	5,411	
Swancor Holding	Bonds-Saudi Aramco		Financial assets at fair value through other comprehensive income-non-current	-	15,831	- %	15,831	
Swancor Holding	Bonds-Standard & Poor's		Financial assets at fair value through other comprehensive income-non-current	-	9,357	- %	9,357	
Swancor Holding	Bonds-POSCO		Financial assets at fair value through other comprehensive income-non-current	-	14,605	- %	14,605	
Swancor Holding	Bonds-Macquarie Group Limited		Financial assets at fair value through other comprehensive income-non-current	-	6,178	- %	6,178	
Swancor Holding	Bonds-GLE		Financial assets at fair value through other comprehensive income-non-current	-	12,620	- %	12,620	
Swancor Holding	Bonds-Goldman		Financial assets at fair value through other comprehensive income-non-current	-	6,421	- %	6,421	
Swancor Holding	Bonds-Ford		Financial assets at fair value through other comprehensive income-non-current	-	6,652	- %	6,652	
Swancor Holding	Bonds-Capital One Financial Corp.		Financial assets at fair value through other comprehensive income-non-current	-	6,583	- %	6,583	
Swancor Holding	Bonds-Hyundai Group		Financial assets at fair value through other comprehensive income-non-current	-	6,635	- %	6,635	

(Continued)

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

- (iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.
- (v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None.
- (vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None.
- (vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Swancor (Jiangsu)	Swancor Advanced Materials	Direct of indirect subsidiaries of the Company	(Sales)	(287,292)	(16.56) %	90 day	Note 1	No difference	479,674	14.31 %	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	287,292	0.45 %	90 day	Note 1	No difference	(479,674)	(19.62) %	
Swancor (Jiangsu)	Swancor (Tianjin)	Direct of indirect subsidiaries of the Company	(Sales)	(46,119)	(2.66) %	90 day	Note 1	No difference	92,936	2.77 %	
Swancor (Tianjin)	Swancor (Jiangsu)	Direct of indirect subsidiaries of the Company	Purchases	46,119	0.07 %	90 day	Note 1	No difference	(92,936)	(3.80) %	
Swancor (Jiangsu)	Meisia New Materials	Direct of indirect subsidiaries of the Company	Purchases	48,923	0.08 %	30~120 day	Note 1	No difference	(54,726)	(2.24) %	
Meijia New Materials	Swancor (Jiangsu)	Associate of the subsidiary	(Sales)	(48,923)	(2.82) %	30~120 day	Note 1	No difference	54,726	1.63 %	

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

Note2 : The transactions have been eliminated upon consolidation.

- (viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Swancor(Jiangsu)	Swancor Advanced Materials	Direct of indirect subsidiaries of the Company	479,674	2.19	-	-	423,484	-

- (ix) Information regarding trading in derivative financial instruments: Please refer to note 6(b).
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the three months ended March 31, 2024:

(In Thousands of New Taiwan Dollars)

No. (Note1)	Name of company	Name of counterparty	Nature of relationship (Note2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Swancor (Jiangsu)	Swancor Advanced Materials	3	Sales	287,292	The sales prices and payment terms were same as those of sales to third parties.	16.56 %
2	Swancor Advanced Materials	Swancor (Jiangsu)	3	Purchases	287,292	The sales prices and payment terms were same as those of sales to third parties.	16.56 %

Note1 : The number filled in as follows:

- 1) 0 represents the company.
- 2) Subsidiaries are sorted in a numerical order starting from 1.

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## SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note2 : Transactions labeled as follows:

- 1) represents the transactions from the parent company to subsidiaries.
- 2) represents the transactions from subsidiaries to the company.
- 3) represents the transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees (excluding information on investees in Mainland China) for the three months ended March 31, 2024:

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Swancor Holding	Sunwell Carbon Fiber Composite	R.O.C.	Producing and selling carbon composites	458,000	458,000	45,800	86.42 %	602,088	16,940	14,639	
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100.00 %	4,238,654	USD 2,049 64,430	64,430	
Swancor Holding	Swancor Innovation & Incubation	R.O.C.	Management consulting	210,000	210,000	21,000	100.00 %	95,993	(6,515)	(6,515)	
Swancor Holding	S-Wanlai	R.O.C.	Chemical products manufacturing and processing	200,000	200,000	20,000	100.00 %	330,755	(6,138)	(6,138)	
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 233,692	USD 7,100 233,692	7,100	100.00 %	USD 108,052 3,457,669	USD 1,653 51,972	USD 1,653 51,972	
Swancor Advanced Materials	Swancor (HK)	Hong Kong	Investing and holding	USD 21,880 662,997	USD 21,880 662,997	35,650	100.00 %	RMB 328,525 1,481,717	RMB 19,761 87,483	RMB 19,761 87,483	
Swancor (HK)	Swancor Ind. (M)	Malaysia	Chemical products manufacturing and processing	USD 7,820 241,521	USD 7,820 241,521	32,657	100.00 %	HKD 58,725 240,108	HKD 1,241 4,992	HKD 1,241 4,992	
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 %	HKD303,486 1,240,858	HKD20,515 82,491	HKD20,515 82,491	
Sunwell Carbon Fiber Composite	COTECH	R.O.C.	Producing and selling carbon composites	130,000	130,000	130,000	80.82 %	130,000	(4,168)	-	

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

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, their main businesses and products, and other information:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Swancor Advanced Materials	Production and selling of Vinyl Ester Resins and light composite material resins	USD 20,677 RMB 348,576 1,834,912	Indirectly owned by the company	USD 2,500 84,071	-	-	USD 2,500 84,071	USD 2,606 80,898	79.23 %	USD 2,065 64,095	USD 136,652 4,372,851	RMB 137,866 615,142
Wuxi Rongmai Engineering Plastic Co., Ltd.	Producing Engineering plastic used in electronic, electrical engineering and automotive industry	USD 2,100 64,806	Indirectly owned by the company(Note1)	USD 250 8,098	-	-	USD 250 8,098	-	10.00 %	-	-	-
Swancor (Tianjin)	Energy conservation wind power laminar resins' manufacturing and selling	USD 7,000 RMB 5,500 254,376	Indirectly owned by the company	USD 7,000 230,401	-	-	USD 7,000 230,401	RMB (3,757) (16,631)	79.23 %	RMB (2,976) (13,177)	RMB 179,356 808,935	-
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 2,292 10,145	79.23 %	RMB 1,816 8,038	RMB 148,965 671,864	-
Meijia New Materials	Producing and selling of powder coating and epoxy resin	RMB 210,000 913,290	Indirectly owned by the company	-	-	-	-	RMB (5,499) (24,345)	18.86 %	RMB (1,037) (4,592)	RMB 160,100 722,085	-
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 907 4,017	72.50 %	RMB 658 2,912	360,068	-

(Continued)



## SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Shandong Longneng	Wind power and turbines are recycled, and then processed, sold and traded.	RMB 11,890,527,747	Indirectly owned by the company	-	-	-	-	RMB (533)(2,360)	43.58 %	RMB (232)(1,028)	RMB 6,213,28,020	-
Swancor Recycling	Producing and selling recycled carbon fiber and glass fiber	USD 5,000,157,150	Directly owned by the company	USD 5,000,157,150	-	-	USD 5,000,157,150	RMB (133)(590)	100.00%	RMB (133)(590)	159,235	-

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

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Swancor Holding	USD7,282	USD 94,531,2,858,077	5,540,689

Note1 : Invested by Ideal Star

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

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

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

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

(iii) Significant transactions:

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

(d) Major shareholders

Shareholding		
Shareholder's name	Shares	Percentage
Tsai's Holding Co., Ltd.	19,380,658	19.02 %

(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.