Stock Code:3708

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

Swancor Holding Company Limited and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: No. 9, Industry South 6 Road., Nantou City 54066, Taiwan
Telephone: 886-49-225-5420

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Swancor Holding Company Limited as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Swancor Holding Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Swancor Holding Company Limited
Chairman: Jau-Yang, Tsai
Date: March 11, 2022

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Independent Auditors' Report

To the Board of Directors of Swancor Holding Company Limited:

Opinion

We have audited the consolidated financial statements of Swancor Holding Company Limited (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue Recognition

   Please refer to Note 4(n) "Revenue" and Note 6(z) "Revenue from contracts with customers" to the consolidated financial statements.

Description of the key audit matter:

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

How the matter was addressed in our audit:

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

2. Evaluation of Accounts receivable

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

Description of the key audit matter:

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

How the matter was addressed in our audit:

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

3. Assessment of Inventory

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hsueh, Chen and Shi-Hua Guo.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2022

Notes to Readers

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

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

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

Swancor Holding Company Limited and subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note 6(a))	$ 2,530,959	17	1,598,800	13
1110	Current financial assets at fair value through profit or loss(note 6(b) and (r))	3,505	-	2,012	-
1150	Notes receivables, net(note 6(d))	2,134,787	15	2,620,824	21
1170	Accounts receivable, net(note 6(d))	2,901,468	20	3,395,525	28
1200	Other receivables(note 6 (e) and (h))	1,012	-	85,291	1
1210	Other receivables from related parties(note 6(e) and 7)	-	-	5,617	-
1220	Current tax assets	7,309	-	2,845	-
130x	Inventories(note 6(f))	1,236,469	8	1,015,584	8
1410	Prepayments	38,315	-	170,711	2
1470	Other current assets(note 6(n))	109,363	1	91,983	1
1476	Other current financial assets(note 6(n) and 8)	167,915	1	170,021	1
		9,131,102	62	9,159,213	75
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss(note 6(b))	664,094	5	536,642	4
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c) and 8)	115,927	1	117,544	1
1550	Investments accounted for using equity method(note 6(g))	925,446	6	-	-
1600	Property, plant and equipment(note 6(k), 7 and 8)	2,809,810	19	1,867,196	15
1755	Right-of-use assets(note 6(l) and 8)	230,228	2	230,620	2
1780	Intangible assets(note 6(m))	11,308	-	11,123	-
1840	Deferred income tax assets(note 6(v))	87,974	1	67,070	1
1981	Cash surrender value of life insurance(note 6(j))	56,340	-	55,235	1
1990	Other non-current assets(note 6(n) and 8)	544,079	4	174,589	1
		5,445,206	38	3,060,019	25
	Total assets	$ 14,576,308	100	12,219,232	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings(note 6(o) and 8)	$ 2,292,267	16	781,129	6
2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (r))	4,700	-	-	-
2130	Current contract liabilities(note 6(z))	14,144	-	8,586	-
2150	Notes payable	553,265	4	444,273	4
2170	Accounts payable	2,239,595	15	3,220,031	26
2180	Accounts payable to related parties(note 7)	29,523	-	-	-
2200	Other payables(note 6(p) and (u))	412,763	3	406,970	4
2230	Current tax liabilities	98,582	1	133,908	1
2300	Other current liabilities(note 6(p) and (t))	62,445	-	10,183	-
2322	Long-term borrowings, current portion(note 6(q) and 8)	20,187	-	236,800	2
2355	Current lease liabilities(note 6(s))	8,009	-	2,358	-
		5,735,480	39	5,244,238	43
	Non-Current liabilities:				
2530	Bonds payable(note 6(r) and 8)	1,900,906	13	-	-
2540	Long-term borrowings(note 6(q) and 8)	343,727	3	447,655	3
2570	Deferred income tax liabilities(note 6(v))	839	-	101,713	1
2600	Other non-current liabilities(note 6(p) and (t))	31,466	-	4,722	-
2613	Non-current lease liabilities(note 6(s))	3,564	-	5,307	-
		2,280,502	16	559,397	4
	Total liabilities	8,015,982	55	5,803,635	47
	Equity attributable to owners of parent(note 6(w)):				
3100	Ordinary shares	935,046	6	935,046	8
3200	Capital surplus(note 6(r))	3,161,540	22	2,940,776	24
3300	Retained earnings	1,774,173	12	1,912,006	16
3400	Other equity	(391,367)	(3)	(418,835)	(3)
3500	Treasury shares	(47,301)	-	(66,341)	(1)
	Total equity attributable to owners of parent:	5,432,091	37	5,302,652	44
36xx	Non-controlling interests(note 6(i))	1,128,235	8	1,112,945	9
	Total equity	6,560,326	45	6,415,597	53
	Total liabilities and equity	$ 14,576,308	100	12,219,232	100

See accompanying notes to consolidated financial statements.

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

Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues**(note 6(z))	$ 10,710,300	100	9,867,900	100
5000	**Operating costs**(note 6(f), (m), (aa) and 7)	9,370,771	87	8,124,571	82
	Gross profit from operations	1,339,529	13	1,743,329	18
	Operating expenses(note 6(m), (u) and (aa)):				
6100	Selling expenses	531,723	5	377,149	4
6200	Administrative expenses	400,341	4	381,868	4
6300	Research and development expenses	240,938	2	200,782	2
6450	Impairment (gain) loss determined in accordance with IFRS 9 (note 6(d))	17,153	-	(587)	-
		1,190,155	11	959,212	10
	Net operating income	149,374	2	784,117	8
	Non-operating income and expenses(note 6(ab)):				
7100	Interest income	10,439	-	8,043	-
7010	Other income and expenses(note 7)	66,571	(2)	207,480	2
7020	Other gains and losses(note 6(j))	(26,543)	-	16,076	-
7050	Finance costs(note 6(r))	(91,106)	1	(66,955)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method(note 6(g))	13,728	-	-	-
		(26,911)	(1)	164,644	2
7900	**Profit before income tax**	122,463	1	948,761	10
7950	Income tax expenses(note 6(v))	(96,389)	(1)	220,456	3
	Profit	218,852	2	728,305	7
8300	**Other comprehensive income (note 6(w)):**				
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	38,290	-	5,766	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(603)	-	729	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income for the year, net of tax**	37,687	-	6,495	-
8500	**Total comprehensive income for the year**	**$ 256,539**	**2**	**734,800**	**7**
	Profit attributable to:				
8610	Owners of parent	$ 185,933	2	626,024	6
8620	Non-controlling interests(note 6(i))	32,919	-	102,281	1
		$ 218,852	**2**	**728,305**	**7**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ 213,401	2	629,666	6
8720	Non-controlling interests(note 6(i))	43,138	-	105,134	1
		$ 256,539	**2**	**734,800**	**7**
	Earnings per share(NT dollars)(note 6(y))				
9750	**Basic earnings per share**	**$**	**2.01**		**6.82**
9850	**Diluted earnings per share**	**$**	**1.93**		**6.81**

See accompanying notes to consolidated financial statements.

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

Swancor Holding Company Limited and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(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	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	**935,046**	**3,051,684**	**128,393**	**329,957**	**1,195,646**	**1,653,996**	**(417,986)**	**(4,491)**	**(422,477)**	**(113,945)**	**5,104,304**	**467,965**	**5,572,269**
Profit for the year	-	-	-	-	626,024	626,024	-	-	-	-	626,024	102,281	728,305
Other comprehensive income for the year	-	-	-	-	-	-	2,913	729	3,642	-	3,642	2,853	6,495
Total comprehensive income for the year	-	-	-	-	626,024	626,024	2,913	729	3,642	-	629,666	105,134	734,800
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	82,485	-	(82,485)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	92,520	(92,520)	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(368,014)	(368,014)	-	-	-	-	(368,014)	-	(368,014)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(66,341)	(66,341)	-	(66,341)
Share-based payment transactions	-	42,548	-	-	-	-	-	-	-	113,945	156,493	6,544	163,037
Generated the difference of the equity due to non-proportional investment in subscribing new shares	-	(153,456)	-	-	-	-	-	-	-	-	(153,456)	153,456	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	379,846	379,846
Balance at December 31, 2020	**$ 935,046**	**2,940,776**	**210,878**	**422,477**	**1,278,651**	**1,912,006**	**(415,073)**	**(3,762)**	**(418,835)**	**(66,341)**	**5,302,652**	**1,112,945**	**6,415,597**
Balance at January 1, 2021	**$ 935,046**	**2,940,776**	**210,878**	**422,477**	**1,278,651**	**1,912,006**	**(415,073)**	**(3,762)**	**(418,835)**	**(66,341)**	**5,302,652**	**1,112,945**	**6,415,597**
Profit for the year	-	-	-	-	185,933	185,933	-	-	-	-	185,933	32,919	218,852
Other comprehensive income for the year	-	-	-	-	-	-	28,071	(603)	27,468	-	27,468	10,219	37,687
Total comprehensive income for the year	-	-	-	-	185,933	185,933	28,071	(603)	27,468	-	213,401	43,138	256,539
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	62,603	-	(62,603)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(3,642)	3,642	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(323,766)	(323,766)	-	-	-	-	(323,766)	-	(323,766)
Treasury share transfer to employees	-	7,278	-	-	-	-	-	-	-	19,040	26,318	830	27,148
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(28,543)	(28,543)
Due to recognition of equity component of convertible bonds issued	-	213,351	-	-	-	-	-	-	-	-	213,351	-	213,351
Adjustment to capital surplus due to non-proportional investment	-	135	-	-	-	-	-	-	-	-	135	(135)	-
Balance at December 31, 2021	**$ 935,046**	**3,161,540**	**273,481**	**418,835**	**1,081,857**	**1,774,173**	**(387,002)**	**(4,365)**	**(391,367)**	**(47,301)**	**5,432,091**	**1,128,235**	**6,560,326**

See accompanying notes to consolidated financial statements.

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

Swancor Holding Company Limited and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from (used in) operating activities:			
Profit before tax	$	122,463	948,761
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		197,336	157,790
Amortization expense		4,269	3,888
Expected credit loss (gain)		17,153	(587)
Net gains on financial assets or liabilities at fair value through profit or loss		(893)	(198)
Interest expense		91,106	66,955
Interest income		(10,439)	(8,043)
Dividend income		(56,280)	(157)
Share-based payment transactions		8,108	49,092
Share of profit of associates and joint ventures accounted for using equity method		(13,728)	-
(Gain) loss on disposal of property, plant and equipment		(972)	473
Gain on disposal of investments		(4,394)	(4,408)
(Increase) decrease in cash surrender value of life insurance		(1,105)	2,016
Amortization of deferred income		(2,034)	-
Total adjustments to reconcile profit		228,127	266,821
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in notes receivable		484,454	(978,091)
Decrease (increase) in accounts receivable		478,487	(1,533,304)
Decrease (increase) in other receivables		84,279	(200)
Decrease in other receivable due from related parties		5,617	603,808
Increase in inventories		(220,885)	(404,892)
Decrease (increase) in prepayments		132,396	(93,270)
Decrease in prepaid pension cost-non current		-	141
(Increase) decrease in operating assets		(16,662)	18,433
Total changes in operating assets		947,686	(2,387,375)
Changes in operating liabilities:			
Increase in notes payable		108,992	265,556
(Decrease) increase in accounts payable		(980,436)	1,616,482
Increase in accounts payable to related parties		29,523	-
Increase (decrease) in other payables		14,084	(53,179)
Increase in other operating liabilities		57,006	510
Total changes in operating liabilities		(770,831)	1,829,369
Total changes in operating assets and liabilities		404,982	(291,185)
Cash inflow generated from operations		527,445	657,576
Interest received		10,840	8,043
Dividends received		56,280	157
Interest paid		(83,843)	(65,160)
Income taxes paid		(65,179)	(156,153)
Net cash flows (used in) from operating activities		445,543	444,463
Cash flows from (used in) investing activities:			
Acquisition of current financial assets at fair value through profit or loss		-	(3,176)
Acquisition of non-current financial assets at fair value through other comprehensive income		-	(91,784)
Acquisition of non-current financial assets at fair value through profit or loss		(127,452)	(106,153)
Proceeds from disposal of current financial assets at fair value through profit or loss		4,394	6,589
Acquisition of investments accounted for using equity method		(911,718)	-
Acquisition of property, plant and equipment		(1,093,221)	(458,341)
Proceeds from disposal of property, plant and equipment		6,900	2,036
Decrease (increase) in refundable deposits		1,025	(73)
Acquisition of intangible assets		(3,699)	(1,168)
Increase in prepayments for investments		(65,000)	-
Decrease (increase) in prepayments for business facilities		41,509	(118,941)
Increase in other financial assets		(392,500)	(79,626)
Net cash from investing activities		(2,539,762)	(850,637)
Cash flows from (used in) financing activities:			
Issuance to corporate bond		2,113,308	-
Increase in short-term borrowings		4,173,872	920,943
Decrease in short-term borrowings		(2,662,734)	(537,956)
Proceeds from long-term borrowings		756,715	44,370
Repayments of long-term borrowings		(1,073,919)	(607,600)
Repayments of lease liabilities		(6,769)	(4,944)
Increase in guarantee deposits received		-	583
Increase in deferred income		23,965	-
Cash dividends paid		(323,766)	(368,014)
Payments to acquire treasury shares		-	(66,341)
Proceeds from sale of treasury shares		19,040	113,945
Change in non-controlling interests		(28,543)	379,846
Net cash flows (used in) financing activities		2,991,169	(125,168)
Effect of exchange rate changes on cash and cash equivalents		35,209	9,000
Net increase (decrease) in cash and cash equivalents		932,159	(522,342)
Cash and cash equivalents at beginning of period		1,598,800	2,121,142
Cash and cash equivalents at end of period	$	**2,530,959**	**1,598,800**

See accompanying notes to consolidated financial statements.

(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:

These consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

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

The Group does not expect the 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 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(Continued)

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(4) Summary of significant accounting policies

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 consolidated financial statements, the Chinese version shall prevail.

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value.

3) The defined benefit asset is recognized as the fair value of the plan assets, less, the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprised of the Company and its subsidiaries. The Group accounted an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that the control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the Group' s share of net assets before and after the change, and any considerations received or paid, are adjusted to or against the Group reserves.

Upon its loss of control, the Company derecognizes the carrying amounts of the assets and liabilities of the subsidiary and non-controlling interests. Any interest retained in the former subsidiary is measured at fair value when control is lost. The gain or loss is measured as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained non-controlling investment in the former subsidiary at the date when the Company losses control; and (ii) the aggregate of the carrying amount of the former subsidiary' s assets (including goodwill), liabilities and non-controlling interests at the date when the Company losses control. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding	
Name of Investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2021**	**December 31, 2020**
Sunwell Holding	Swancor Innovation & Incubation Co., Ltd. (Swancor Innovation & Incubation)	Management consulting	100%	-
Swancor Holding	Sunwell Carbon Fiber Composite Corporation (Sunwell Carbon Fiber Composite)	Producing and selling of carbon	86.42% (Note2~4)	86.42% (Note6)
Swancor Holding	Strategic Capital Holding Ltd. (Strategic)	Investing and holding of subsidiaries	100%	100%
Sunwell Carbon Fiber Composite	Swancor (Jiangsu) Carbon Composites	Producing and selling of carbon	83.89%	83.89%
Strategic	Swancor Ind. Co., Ltd .(Samoa) (Swancor)	Investing and holding of subsidiaries	100%	100%
Strategic	Swancor Advanced Materials Co., Ltd. (Swancor Advanced Materials)	Producing and selling Viny1 Ester Resins and light composite material resins	15.20%	15.20% (Note5)

(Continued)

Swancor Holding Company Limited and subsidiaries
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Name of Investor	Name of Subsidiary	Principal activity	Shareholding December 31, 2021	Shareholding December 31, 2020
Swancor	Swancor Advanced Materials	Producing and selling Vinyl Ester Resins and light composite material resins	64.04%	64.04% (Note5)
Swancor Advanced Materials	Swancor (Tianjin) Wind Blade Materials Co., Ltd. (Swancor (Tianjin))	Producing and selling of energy conservation wind power laminar resins	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%
Swancor Advanced Materials	Swancor (HK) Investment Co., Ltd.(Swancor (HK))	Investing and holding of subsidiaries	100%	100%
Swancor (HK)	Swancor Ind(M) SDN.BHD. (Swancor Ind(M))	Producing and selling Vinyl Ester Resins and light composite material resins	100%	100%
Swancor (HK)	Swancor Highpolymer Co., Ltd. (Swancor Highpolymer)	Producing and selling Vinyl Ester Resins and light composite material resin	100%	100%

Note 1: The original name is Swancor (Shanghai) Fine Chemical Co., Ltd.

Note 2: A resolution was decided during the Board of Directors meeting held on December 31, 2020, to determine whether to repurchase the 600 thousand shares within the period from January 1 to June 30, 2021 at the price of $10 to $10.20 per share, as treasury shares, to transfer to employees in the six months ended June 30, 2021. For the six months ended June 30, 2021, the Group had repurchased 133 thousand of the above shares, resulting in its shareholding ratio to increase from 86.42% to 86.63% and recognized the amount of $346 thousand as capital surplus.

Note 3: A resolution was decided during the Board of Directors meeting held on August 4, 2021, to determine whether to repurchase the 600 thousand shares within the period from August 4, 2021 to February 4, 2022 at the price of $10 to $10.20 per share, as treasury shares, to transfer to employees in the six months ended December 31, 2021. For the years ended December 31, 2021, the Group had repurchased 183 thousand of the above shares, resulting in its shareholding ratio to increase from 86.63% to 86.71% and recognized the amount of $91 thousand as capital surplus.

Note 4: On November 5, 2021, The Board of Directors of the Company determined to transfer 183 thousand of treasury shares to employees. The treasury shares had been transferred in November, 2021, the Group resulting in its shareholding ratio to decrease from 86.71% to 86.42%, and decrease the capital surplus amounting to $323 thousand.

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

Note5: On September 28, 2020, Swancor Advanced Materials, had its initial public offering in Shanghai Stock Exchange's Star Market, wherein 43,200 thousand shares were issued, amounting to $307,846 thousand, for its capital increase. However, the Group failed to invest proportionately in the above capital increase, resulting in its percentage of ownership in Swancor Advanced Material to decrease from 88.75% to 79.24%.

Note6: A resolution was decided during the board meeting held on September 24, 2020 to issue 48,000 thousand new shares for capital increase, at a total value of $480,000 thousand, with the base date set on October 16, 2020. However, the Group failed to subscribe proportionately, resulting in its shareholding ratio to decrease from 100% to 86.42%. The related registration procedures for the above transaction had been approved by the Department of Commerce of the Ministry of Economic Affairs on November 23, 2020.

Subsidiaries excluded from consolidation: None.

(iii) Changes in ownership of subsidiaries from January 1, 2020 to December 31, 2021 were as follow：

The Group invested the amount of $408,000 thousand in its subsidiary, Sunwell Carbon Fiber Composite, on October 16, 2020; and the registration procedures had been completed.

On April 19, 2021, The Group invested the amount of $10,000 thousand in its subsidiary, Swancor Innovation & Incubation; and the registration prosedures had been completed.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Nonmonetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of translation.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interest. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planed nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

(i) It is expected to settle in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- it is contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’ s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes its loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Group measures its loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL：

- debt securities that are determined to have low credit risk at the reporting date；and

- other debt securities and bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 360 days past due or the debtor is unlikely to fully pay its credit obligations to the Group.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs resulting from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data：

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 360 days past due；；

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

ii) Financial liabilities and equity instrument

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

(Continued)

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

8) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Group will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Group will apply applied the policies on accounting for modifications to the additional changes.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain hedging instruments (which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk) as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

(Continued)

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under 'other equity — gains (losses) on hedging instruments', limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Group expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any change of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share. Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings and structures: 5~25 years

2) Machinery and equipment: 4~15 years

3) Transportation equipment: 5~9 years

4) Other equipment: 2~13 years

5) The significant components and related useful lives of buildings and structures and machinery and equipment are as follow:

Components	Useful Lives	Components	Useful Lives
Buildings and structures	25years	Machinery and equipment	15years
Electrical power equipment	20years	Power distribution project	15years
Improvement construction	20years	Piping construction	5~10 years
Fire protection engineering	20years		

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

(Continued)

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Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be paid under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is measured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Group' s estimate of the amount expected to be paid under a residual value guarantee; or

3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or

5) there are any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use set to reflect the partial or full termination of the lease, and recognize in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(Continued)

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

1) Technique: 5 years

2) Computer software: 2~10 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group manufactures and sells precision chemical materials, Vinyl Easter Resins and light composite material resins to composite material manufacturers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Labor services

The Group provides enterprise management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. In addition, the contract includes a variable consideration for the reward payment, wherein the Company will use the most likely amount to estimate the reward payment and will only recognize the revenue within the scope of the high probability that no significant reversal will occur. Therefore, the amount of revenue recognized at the beginning of the contract may be lower than the current recognized amount.

In case of fixed-price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

iii) the costs are expected to be recovered.

For general and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(o) Government grants and government assistance

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

Government assistance in the form of a guarantee from the government for loans from financial institutions was considered to calculate in market interest rate. The difference of the amount was recognized as deferred income and the deferred income was shared to other income based on complete planning in the loan period.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

(Continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that it is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per share

The Group discloses the Company’ s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’ s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(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 the IFRSs 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) The loss allowance of accounts receivable

The Group has estimated the loss allowance of accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. For relevant assumptions and input values, please refer to note 6(d).

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(f) for further description of the valuation of inventories.

The Group strives to use the market observable inputs when measuring its assets and liabilities. Different levels of fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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(c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(6) Explanation of significant accounts:

(a) Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Petty cash and cash on hand	$ 631	541
Demand deposits	1,567,320	1,592,459
Time deposits	963,008	5,800
Cash and cash equivalents in the consolidated statement of cash flow	**$ 2,530,959**	**1,598,800**

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

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

	December 31, 2021	December 31, 2020
Mandatorily measured at fair value through profit or loss：		
Secured convertible corporate bonds-call and put provision	$ 1,500	-
Non-derivative financial assets-		
Stocks listed on domestic markets	2,005	2,012
Stocks unlisted on domestic markets	664,094	536,642
Total	**$ 667,599**	**538,654**
Financial liabilities mandatorily measured at fair value through profit or loss：		
Unsecured convertible corporate bonds-call and put provision	**$ 4,700**	**-**

On August 26, 2021, January 22 and March 20, 2020, Swancor Renewable Energy issued new stocks for capital increase by cash. The Group purchased its new shares amounting to $127,452 thousand, $102,978 thousand and $3,175 thousand, respectively.

During 2021, the dividends of $55,854 thousand, related to equity investments at fair value through profit or loss held in 2021, were recognized as operating revenues.

The amount of profit or loss which are recognized at fair value please refer to note 6 (r) and (ab).

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

	December 31, 2021	December 31, 2020
Debt investments at fair value through other comprehensive income		
Corporate bonds	$ 41,946	43,963
Equity investments at fair value through other comprehensive income		
Domestic unlisted Company - Gigantex Composite Technologies Co., Ltd.	25,031	25,031
Domestic on listed Company - WT Microelectronics Co., Ltd	48,950	48,550
Domestic unlisted Company - Promix Composites, Inc.	-	-
Domestic unlisted Company - Ideal Star International Corp.	-	-
	$ 73,981	73,581
Total	**$ 115,927**	**117,544**

1.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.

2.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 December 31, 2021 and 2020.

For the year ended December 31,2021, the dividends of $426 thousand, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized as operating revenues.

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

The financial assets at fair value through other comprehensive income of the Group had been pledged as collateral as of December 31, 2021 and 2020. Please refer to note 8.

3.The amounts of other comprehensive profit or loss which were recognized at fair value in 2021 and 2020 were $(603) thousand and $729 thousand.

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(d) Notes and Accounts Receivable (Including Related Parties)

	December 31, 2021	December 31, 2020
Notes receivable from operating activities	$ 1,275,034	1,323,390
Note receivable - fair value through other comprehensive income	861,615	1,297,710
Less: Loss allowance	(1,862)	(276)
	$ 2,134,787	**2,620,824**
Accounts receivable - measured as amortized cost	$ 2,954,619	3,433,672
Less: Loss allowance	(53,151)	(38,147)
	$ 2,901,468	**3,395,525**

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2021 and 2020. 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 December 31, 2021 and 2020 were determined as follows:

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 4,826,581	0.17 %	8,159
Overdue 1 to 90 days	163,048	0.31 %	500
Overdue 91 to 180 days	57,416	8.20 %	4,710
Overdue 181 to 270 days	5,676	73.11 %	4,150
Overdue 271 to 360 days	3,975	73.51 %	2,922
Overdue more than 361 days	1,535	100 %	1,535
Total	**$ 5,058,231**		**21,976**

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	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 5,960,579	0.11 %	3,560
Overdue 1 to 90 days	53,660	0.26 %	137
Overdue 91 to 180 days	6,308	8.58 %	541
Overdue 181 to 270 days	47	14.89 %	7
Overdue 271 to 360 days	-	- %	-
Overdue more than 361 days	1,412	100 %	1,412
Total	$ 6,022,006		5,657

The loss allowance provision from the other group as of December 31, 2021 and 2020 were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
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	33,037	100 %	33,037
Total	$ 33,037		33,037

	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
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	32,766	100 %	32,766
Total	$ 32,766		32,766

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

	December 31, 2021	December 31, 2019
Balance on January 1 per IFRS 9	$ 38,423	161,398
Impairment losses recognized	17,153	-
Impairment losses reversed	-	(587)
Amounts written off	-	(121,997)
Foreign exchange losses	(563)	(391)
Balance on December 31	**$ 55,013**	**38,423**

The notes and accounts receivable of the Group had not been pledged as collateral as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, the Group sold its notes receivable without recourse as follows:

December 31, 2021

Purchaser	Assignment Facility	Factoring Line	Advanced Amount	Range of Interest Rate	Significant Transferring Terms
China CITIC Bank	$ 21,708	-	21,708	2.75%	Bill by delivery
China CITIC Bank	279,931	-	279,931	2.48%~2.74%	〃
China CITIC Bank	86,830	-	86,830	2.41%	〃
China CITIC Bank	150,382	-	150,382	2.44%	〃
China CITIC Bank	120,550	-	120,550	2.41%~2.44%	〃
China CITIC Bank	13,025	-	13,025	2.40%	〃
	$ 672,426	**-**	**672,426**		

December 31, 2020

Purchaser	Assignment Facility	Factoring Line	Advanced Amount	Range of Interest Rate	Significant Transferring Terms
China CITIC Bank	$ 188,877	-	188,877	2.95%	Bill by delivery
China CITIC Bank	107,646	-	107,646	2.50%	〃
China CITIC Bank	215,291	-	215,291	2.35%~2.57%	〃
China CITIC Bank	220,024	-	220,024	3.00%~3.10%	〃
China CITIC Bank	34,447	-	34,447	3.00%	〃
China CITIC Bank	17,223	-	17,223	3.17%	〃
	$ 783,508	**-**	**783,508**		

The Group transferred $802,041 thousand $717,229 thousand of trade receivables to an unrelated third party as of December 31, 2021 and 2020. 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 December 31, 2021 and 2020, the notes receivable for the transfer of endorsements that have not yet expired were $861,615 thousand and $1,297,710 thousand respectively, which did not meet the conditions for financial assets had not derecognized.

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(e) Other receivables (Including Related Parties)

	December 31, 2021	December 31, 2020
Other accounts receivable— Cash dividends from Swancor Renewable Energy	$ -	5,617
Other accounts receivable— equity sale price to Swancor Renewable Energy	-	83,653
Other accounts receivable	1,012	1,638
	$ 1,012	**90,908**

For further credit risk information, please refers to note 6(ac).

(f) Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 767,313	533,628
Finished goods	450,526	461,939
Goods	18,630	13,717
Inventory in transit	-	6,300
	$ 1,236,469	**1,015,584**

The cost of goods sold were as follows：

	For the year ended December 31, 2021	2020
Inventory that has been sold	$ 9,341,385	8,096,197
Write-down and slow moving of inventories	(19,452)	23,534
Loss on physical inventory	2,364	2,361
Loss on inventory retired	46,474	2,479
	$ 9,370,771	**8,124,571**

As of December 31, 2021 and 2020, the Group did not provide any inventories as collateral for its loans.

Swancor Holding Company Limited and subsidiaries
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(g) Investments accounted for using 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:

	December 31, 2021
Associates	$ 925,446

(i) Associates

On April 29, 2021, the Board of Directors of the subsidiary, Swancor Advanced Materials, decided to buy 50,000 thousand shares of Anhui Meijia New Materials Co., Ltd, at the price of CNY4.2 per share, with total transaction amount of CNY210,000 thousand to acquire 23.81% of ownership ratio, and completed relative registration on December 1, 2021.

Associates which are material to the Group consisted of the followings：

Name of Associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2021
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%

The Group’s financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2021
Carrying amount of individually insignificant associate’s equity	$ 925,446

	2021
Attributable to the Group:	
Net income	$ 13,728

(ii) Collaterals

The investment accounted for using equity method of the Group had not been pledged as collaterals as of December 31, 2021.

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(h) Loss control of subsidiaries

The Board of Directors of the Company determined to dispose of 100% of its shares in Swancor Renewable Energy, and extend time of disposal on June 20 and June 30, 2019. The Group lost its control over Swancor Renewable Energy due to the disposal of its 95% shares in it.

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.

The amount of $83,653 thousand that has yet to be collected had been recognized as other receivable as of December 31, 2020 and received in 2021.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non- controlling interests	
Subsidiaries	**Main operation place**	**2021.12.31**	**2020.12.31**
Swancor Advanced Materials	China	20.76%	20.76%

The following information on the aforementioned subsidiaries have 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:

	December 31, 2021	**December 31, 2020**
Current assets	$ 2,603,108	2,729,256
Non-current assets	3,835,515	3,057,837
Current liabilities	(1,864,287)	(1,199,239)
Non- current liabilities	-	-
Net assets	**$ 4,574,336**	**4,587,854**
Non-controlling interests	**$ 949,632**	**952,439**

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		2021	2020
Sales revenue	$	3,725,480	2,510,416
Net income	$	76,892	534,674
Other comprehensive income		(16,575)	(11,598)
Comprehensive income	**$**	**60,317**	**523,076**
Profit, attributable to non-controlling interests	**$**	**15,963**	**69,128**
Comprehensive income, attributable to non-controlling interests	**$**	**12,522**	**67,244**
Net cash flows from operating activities	$	496,552	(156,454)
Net cash flows from investing activities		(976,059)	(81,214)
Net cash flows from financing activities		306,625	307,846
Net loss in cash and cash equivalents	**$**	**(172,882)**	**70,178**
Dividend paid to non-controlling interest	**$**	**(28,543)**	**-**

(j) Cash surrender value of life insurance

Cash surrender value of life insurance is an insurance that the employees were insured and the employer is the beneficiary of the insurance term. The insurance payment is the part of cash surrender value that was a deduction of current insurance expense and becomes an addition of carrying value of the surrender value of life insurance. The carrying value will be deducted when the insurance expires or is terminated.

The movement of cash surrender value of life insurance were as follows:

		2021	2020
Balance at January 1	$	55,235	57,251
Increase (decrease) in cash value		1,105	(2,016)
Balance at December 31	**$**	**56,340**	**55,235**

(k) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group in 2021 and 2020 were as follows：

		Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in progress and testing equipment	Total
Cost:							
Balance at January 1, 2021	$	484,076	1,064,582	612,741	490,895	120,756	2,773,050
Additions		203,515	208,798	320,200	117,578	234,439	1,084,530
Disposals		-	-	(7,778)	(19,102)	-	(26,880)
Reclassification		88,996	66	59,190	9,649	(110,967)	46,934
Effect of movements in exchange rates		-	2,170	2,059	2,392	(13)	6,608
Balance at December 31, 2021	**$**	**776,587**	**1,275,616**	**986,412**	**601,412**	**244,215**	**3,884,242**

(Continued)

Swancor Holding Company Limited and subsidiaries
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	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in progress and testing equipment	Total
Balance at January 1, 2020	$ 239,306	1,003,386	556,540	363,787	99,588	2,262,607
Additions	244,770	62,399	60,761	119,939	30,990	518,859
Disposals	-	(202)	(3,579)	(6,799)	(404)	(10,984)
Reclassification	-	1,255	(270)	13,233	(9,494)	4,724
Effect of movements in exchange rates	-	(2,256)	(711)	735	76	(2,156)
Balance at December 31, 2020	$ **484,076**	**1,064,582**	**612,741**	**490,895**	**120,756**	**2,773,050**
Depreciation and impairment loss:						
Balance at January 1, 2021	$ -	342,403	277,886	285,565	-	905,854
Depreciation for the year	-	56,849	57,522	70,846	-	185,217
Disposals	-	-	(4,467)	(16,485)	-	(20,952)
Reclassification	-	48	21	1	-	70
Effect of movements in exchange rates	-	1,555	1,167	1,521	-	4,243
Balance at December 31, 2021	$ **-**	**400,855**	**332,129**	**341,448**	**-**	**1,074,432**
Balance at January 1, 2020	$ -	289,093	236,915	239,221	-	765,229
Depreciation for the year	-	53,067	43,104	51,630	-	147,801
Disposals	-	(202)	(2,455)	(5,818)	-	(8,475)
Reclassification	-	-	(11)	49	-	38
Effect of movements in exchange rates	-	445	333	483	-	1,261
Balance at December, 31 2020	$ **-**	**342,403**	**277,886**	**285,565**	**-**	**905,854**
Carrying amounts:						
Balance at December 31, 2021	**$ 776,587**	**874,761**	**654,283**	**259,964**	**244,215**	**2,809,810**
Balance at January 1, 2020	**$ 239,306**	**714,293**	**319,625**	**124,566**	**99,588**	**1,497,378**
Balance at December 31, 2020	**$ 484,076**	**722,179**	**334,855**	**205,330**	**120,756**	**1,867,196**

In effect of the chemical plant explosion accident in Yancheng, Jiangsu province, the subsidiary, Swancor (Jiangsu), has been requested by the Yancheng's Funing government to initiate the security check to mitigate the risk. After communicating with the Funing government, the risk of permanent shut down or close is not existed. The plant has been remodeled and examined by the Yancheng's Funing government county in January 2020, and has already been approved to resume to work in November 14, 2020.

The capitalisation of interest was $9,545 in 2021.

The disclosure of property, plant and equipment purchased from related parties are described in note 7.

As of December 31, 2021 and 2020, property, plant and equipment pledged as collateral for bank loans are described in note 8.

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(l) Right-of-use assets

The Group leases many assets including land and buildings. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Transportations	Total
Costs:				
Balance at January 1, 2021	$ 233,043	9,492	2,466	245,001
Additions	-	10,676	-	10,676
Effects of movements in exchange rates	1,102	1	-	1,103
Balance at December 31, 2021	**$ 234,145**	**20,169**	**2,466**	**256,780**
Balance at January 1, 2020	$ 233,297	43,085	-	276,382
Additions	-	-	2,466	2,466
Reduce	-	(33,593)	-	(33,593)
Effects of movements in exchange rates	(254)	-	-	(254)
Balance at December 31, 2020	**$ 233,043**	**9,492**	**2,466**	**245,001**
Accumulated depreciation and impairment losses:				
Balance at January 1, 2021	$ 10,032	3,869	480	14,381
Depreciation for the year	5,045	6,252	822	12,119
Effects of movements in exchange rates	51	1	-	52
Balance at December 31, 2021	**$ 15,128**	**10,122**	**1,302**	**26,552**
Balance at January 1, 2020	$ 5,019	3,905	-	8,924
Depreciation for the year	4,990	4,519	480	9,989
Reduce	-	(4,555)	-	(4,555)
Effects of movements in exchange rates	23	-	-	23
Balance at December 31, 2020	**$ 10,032**	**3,869**	**480**	**14,381**
Carrying amount:				
Balance at December 31, 2021	**$ 219,017**	**10,047**	**1,164**	**230,228**
Balance at January 1, 2020	**$ 228,278**	**39,180**	**-**	**267,458**
Balance at December 31, 2020	**$ 223,011**	**5,623**	**1,986**	**230,620**

As of December 31, 2021 and 2020, right-of-use assets pledged as collateral for short-term and long-term bank loan and loan limits are described in note 8.

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(m) Intangible Assets

The costs of intangible assets, amortization, and impairment loss of the Group in 2021 and 2020 were as follows:

	Technique	Computer software	Total
Costs:			
Balance at January 1, 2021	$ 44,557	46,196	90,753
Additions	154	3,545	3,699
Effect of movement in exchange rates	(1,366)	13	(1,353)
Balance at December 31, 2021	**$ 43,345**	**49,754**	**93,099**
Balance at January 1, 2020	$ 43,904	46,846	90,750
Additions	493	675	1,168
Disposals	-	(1,328)	(1,328)
Effect of movement in exchange rates	160	3	163
Balance at December 31, 2020	**$ 44,557**	**46,196**	**90,753**
Amortization and Impairment Loss:			
Balance at January 1, 2021	$ 40,839	38,791	79,630
Amortization for the year	1,596	2,673	4,269
Effect of movement in exchange rates	(2,120)	12	(2,108)
Balance at December 31, 2021	**$ 40,315**	**41,476**	**81,791**
Balance at January 1, 2020	$ 39,305	37,760	77,065
Amortization for the year	1,533	2,355	3,888
Disposals	-	(1,328)	(1,328)
Effect of loss of control of subsidiary	-	-	-
Effect of movement in exchange rates	1	4	5
Balance at December 31, 2020	**$ 40,839**	**38,791**	**79,630**
Carrying value:			
Balance at December 31, 2021	**$ 3,030**	**8,278**	**11,308**
Balance at January 1, 2020	**$ 4,599**	**9,086**	**13,685**
Balance at December 31, 2020	**$ 3,718**	**7,405**	**11,123**

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(i) Amortization

For the years ended December 31, 2021 and 2020, the amortizations of intangible assets were included in the statement of comprehensive income: ：

		2021	2019
Operating costs	$	28	3
Operating expenses		4,241	3,885
	$	**4,269**	**3,888**

(ii) Disclosures on pledges

As of December 31, 2021 and 2020, the intangible assets of the Group had not been pledged as collateral.

(n) Other current assets and other non-current assets

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

		December 31, 2021	December 31, 2020
Other current assets：			
Advanced payments	$	24,032	7,364
Other－current		85,331	84,619
	$	**109,363**	**91,983**
Other current financial assets：			
Restricted bank deposits	$	**167,915**	**170,021**
Other non-current assets：			
Refundable deposits	$	4,634	5,659
Prepayments for equipment		67,035	155,408
Restricted bank deposits		400,029	5,423
Prepayments for investments		65,000	-
Others-non-current		7,381	8,099
	$	**544,079**	**174,589**

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

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.

For the prepayments for investments, please refer to note 11.

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(o) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2021	December 31, 2020
Other loans (note)	$ -	43,058
Unsecured bank loans	2,144,132	651,753
Secured bank loans	148,135	86,318
	$ 2,292,267	**781,129**
Unused short-term credit lines	**$ 1,572,194**	**228,520**
Range of interest rates	**1.00%~5.02%**	**1.30%~5.00%**

note : Loans from a government-controlled company within the development zone.

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

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

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

	December 31, 2021	December 31, 2020
Other payable-salary	$ 122,286	129,303
Other payable-employee bonus	885	7,022
Other payable-director compensation	2,655	14,010
Payables on equipment	75,990	84,681
Other	210,947	171,954
	$ 412,763	**406,970**

	December 31, 2021	December 31, 2020
Temporary receipts	$ 37,998	1,313
Receipts under custody	3,893	3,542
Current deffered revenue	1,040	226
Other	19,514	5,102
	$ 62,445	**10,183**

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	December 31, 2021	December 31, 2020
Non-current deferred revenue	$ 30,883	4,139
Receivable deposits	583	583
	$ **31,466**	**4,722**

(q) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2021			
	Currency	**Rate**	**Maturity date**	**Amount**
Unsecured bank loans	NTD	1.33%~4.65%	2024/8/23~2028/6/15	$ 120,326
Secured bank loans	NTD	1.35%	2026/3/25	203,515
Other loans (note)	NTD	2.43%~.3.92%	2025/1/22	40,073
				363,914
Less: current portion				(20,187)
Total				$ **343,727**
Unused long-term credit line				$ **414,722**

	December 31, 2020			
	Currency	**Rate**	**Maturity date**	**Amount**
First bank and other	NTD	1.8526%	2022/7/21	$ 643,600
Unsecured bank loans	NTD	1.5%	2026/5/3	19,200
Other loans (note)	NTD	3.92%	2025/1/22	21,655
				684,455
Less: current portion				(236,800)
Total				$ **447,655**
Unused long-term credit line				$ **187,030**

note : Loaned by the company of development zone platform held by government.

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(i) Syndicated loan

The Group had co-signed a joint loan agreement with First Bank and another seven banks in July 2017 for a credit line of three years amounting to $1,600,000 thousand, with a credit term of floating interest rate. The Group can renew the extension of the loan for two years only for one time.

The Group shall comply with the rules of specific financial ratios (current ratio, debt ratio, tangible equity and times interest earned) that being align with the audited annual consolidated financial statements and reviewed second-quarter financial reports by certified public accountant specified in the joint loan agreement. Interest shall be required if there is any violation of the rules. If specific terms of loan agreement are being violated and no improvement plan being provided to the banks, the Group is required to redeem all the loan based on the time requested by the bank. As of December 31, 2020, the Group complied with all the financial covenants under each of the loan agreements.

The Group repaid all of the syndicated loan on October 21, 2021.

(ii) Collateral for long-term borrowings

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

(r) Bonds payable

The details of bonds payable were as follows:

	December 31, 2021
Third secured convertible bonds- domestic	$ 1,000,000
Fourth unsecured convertible bonds- domestic	1,000,000
Unamortized discounted corporate bonds payable	(99,094)
Cumulative converted amount	-
Cumulative redeemed amount	-
	1,900,906
Less: current portion	-
Corporate bonds issued balance at year-end	**$ 1,900,906**
Embedded derivative- call and put options, including financial assets at fair value through profit or loss	**$ 1,500**
Embedded derivative- call and put options, including financial liabilities at fair value through profit or loss	**$ 4,700**
Equity component – conversion options, including in capital surplus – stock options	**$ 213,351**
Embedded derivative instruments – call and put rights, including net gain of evaluation in financial asset and liabilities	**$ (900)**
Interest expense	**$ 5,049**

(Continued)

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Notes to the Consolidated Financial Statements

(i) Swancor Industrial issued its third domestic secured convertible bonds on September 27, 2021 and the significant terms of the bonds were as follows:

1) Offering amount: $1,000,000 thousand

2) Duration: five years (September 27, 2021 to September 27, 2026)

3) Interest rate: 0%

4) Conversion period: From three month after the issuance date to ten days before maturity date. (December 28, 2021 to September 27, 2026)

5) Conversion price: As of the issuance date, the conversion price was NT$ 99 per share. However, after Swancor Holding issued the corporate bonds, except for the exchange of various securities with common stock conversion rights or stock options issued by Swancor Holding for common stock, or the issuance of new shares due to employee dividends. When the shares increased, or when cash dividends were distributed, or when re-raising or private placement of various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share, or when decreased in common shares caused by capital reduction not due to the cancellation of treasury shares, the conversion price will be adjusted according to the formula in the terms of conversion.

6) On the repurchase dates, after the issuance date, the bondholders may request Swancor Holding to repurchase the bonds at their face value, by cash, in five trading days.

7) From three month after the issuance date to 40 days before the maturity date, if the closing price of Swancor Holding shares on the TWSE is higher than 130% of the conversion price for 30 consecutive trading days or when the outstanding convertible bonds are less than 10% of the initial issued bonds, Swancor Industrial may redeem the remaining bonds at their face value by cash in five trading days after the redemption date.

8) Terms of redemption: Swancor Holding needs to redeem the bonds by cash upon maturity, except for the bonds that had been converted into shares.

Swancor Industrial separated its equity and liability components as follows:

Items	Amount
Total price of issuance (deducted transaction cost)	$ 1,081,297
Fair value of convertible bonds upon issuance	(970,976)
Embedded derivative debt upon issuance	900
Equity components upon issuance	**$ 111,221**

9) According to the share exchange agreement, the performance obligation of equity warrants, which were approved by the authority, should be transferred to the Company, and the conversion price and quantity are adjusted by using the conversion ratio.

10) The Group set up collaterals of issuing corporate bonds with assets, please refer to note 8 for details.

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(ii) Swancor Industrial issued its second domestic unsecured convertible bonds on September 28, 2021 and the term of issuance were as follows:

1) Offering amount: $1,000,000 thousand

2) Duration: five years (September 28, 2021 to September 28, 2026)

3) Interest rate: 0%

4) Conversion period: From three month after issuance date to ten days before maturity date. (December 29, 2021 to September 28, 2026)

5) Conversion price: As of the issuance date, the conversion price was NT$ 95 per share. However, after Swancor Holding issued the corporate bonds, except for the exchange of various securities with common stock conversion rights or stock options issued by Swancor Holding for common stock, or the issuance of new shares due to employee dividends. When the shares increased, or when cash dividends were distributed, or when re-raising or private placement of various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share, or when decreased in common shares caused by capital reduction not due to the cancellation of treasury shares, the conversion price will be adjusted according to the formula in the terms of conversion.

6) On the repurchase dates, after the issuance date, the bondholders may request Swancor Holding to repurchase the bonds at their face value, with the interests of 0.75% of the face value for three years, plus yield to put of 0.25%, by cash, in five trading days.

7) From one month after the issuance date to 40 days before the maturity date, if the closing price of Swancor Industrial shares on the TWSE is higher than 130% of the conversion price for 30 consecutive trading days or when the outstanding convertible bonds are less than 10% of the initial issued bonds, Swancor Industrial may redeem the remaining bonds at their face value by cash in five trading days after the redemption date.

8) Terms of redemption: Swancor Industrial needs to redeem the bonds by cash upon maturity, except for the bonds that had been converted into shares.

Swancor Industrial separated its equity and liability components as follows:

Items	Amount
Total price of issuance (deducted transaction cost)	$ 1,032,011
Fair value of convertible bonds upon issuance	(924,881)
Embedded derivative debt upon issuance	(5,000)
Equity components upon issuance	**$ 102,130**

9) According to the share exchange agreement, the performance obligation of equity warrants, which were approved by the authority, should be transferred to the Company, and the conversion price and quantity are adjusted by using the conversion ratio.

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(s) Lease liabilities

	December 31, 2021	December 31, 2020
Current	$ 8,009	2,358
Non-current	$ 3,564	5,307

The amounts recognized in profit or loss was as follows:

	For the year ended December31, 2021	2020
Interest on lease liabilities	$ 273	266
Expenses relating to short-term leases	$ 15,026	13,060

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

	For the year ended December31, 2021	2020
Total cash outflow for leases	$ 22,068	18,270

(i) Real estate leases

As of December 31, 2021 and 2020, 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 staff dormitory and trivial leases with lease terms of one to three year, 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.

(t) Deferred income

	December 31, 2021	December 31, 2020
Government grants	$ 31,923	4,365
Current	$ 1,040	226
Non-current	30,883	4,139
	$ 31,923	4,365

The Group has been awarded government grants for both of its factories in January 2020 and May 2021, which were conditional on the acquisition of plants in a specified region. Both factories have been completed and have been in operation since May 2020 and June 2021; and the grants, recognized as deferred income, were amortized over the useful life of the building.

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The subsidiary has received an industrial economic grant from its local government in April 2021, which was conditional on the acquisition of equipment wherein high intelligent equipment for technical improvement had to be installed. The equipment has been used in May 2021, and the grant, recognized as deferred income, was amortized over the useful life of the equipment.

The subsidiary received the factory construction grant from its local government in April 2021, wherein it was recognized as deferred income and amortized over the useful life of the building.

The building had been used since December- 2021.

The Group acquired low-rate loan in April 2021, which was working capital subsidy for small and medium-sized enterprises from the government. The subsidy was recognized as deferred income and amortized during the loan period.

The subsidiary received a low-rate government subsidy loan, and the related condition required the subsidiary to purchase machinery and equipment. The machinery and equipment had been used since June 2021. The subsidy was recognized as deferred income and amortized during the useful life of machinery and equipment.

(u) Employee benefits

(i) Defined benefit plans

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

2) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets of the Group were as follows:

		2020
Fair value of plan assets at January 1	$	141
Interest income		6
Contributions paid by the employer		1
Close account		(148)
Fair value of plan assets at December 31	$	-

3) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2020
Net interest of net assets for the defined benefit obligations	$ (5)
Administration expenses	$ (5)

4) Remeasurement of net defined benefit asset recognized in other comprehensive income

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2020, was as follows:

	2020
Accumulated amount at January 1	(3,691)
Carry-over close account during the period	3,691
Accumulated amount at December 31	-

The Company had colsed its account on December 16, 2020.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $36,906 thousand and $13,309 thousand for the years ended December 31, 2021 and 2020, respectively.

(iii) Short-term compensated absence

The short-term compensated absence for the years ended December 31, 2021 and 2020 were included in other payable with balance of $8,357 thousand and $7,114 thousand, respectively.

(v) Income taxes

(i) Income tax expense

The components of income tax in the years of 2021 and 2020 were as follows:

	2021	2020
Current tax expense		
Current period	$ 28,586	139,944
Adjustment for prior periods	(15,362)	(34,789)
Undistributed earnings additional tax	12,165	17,174
	25,389	122,329

(Continued)

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	2021	2020
Deferred tax expense		
Origination and reversal of temporary differences	(121,778)	98,127
Income tax expense excluding tax on sale of discontinued operation	$ **(96,389)**	**220,456**

For the years ended December 31, 2021 and 2020, there were no income taxes recognized directly in equity and other comprehensive income.

Reconciliation of income tax and profit before tax 2021 and 2020 were as follows.

	2021	2019
Profit excluding income tax	$ 122,463	948,761
Income tax using each Company's domestic tax rate	$ 59,330	373,498
Income tax impact of foreign operating entity surplus not expected to be repatriated	(51,243)	(118,393)
Share of profit of subsidiaries accounted for using equity method–domestic	(2,309)	(6,111)
Adjustment in tax rate	(11,251)	(8,221)
Recognition of previously unrecognized tax losses	(5,305)	-
Current-year losses for which no deferred tax asset was recognized	7,035	3,902
Changes in provision in prior periods	(15,362)	(34,789)
Recognition of previously under-estimated deferred tax assets	(8,407)	(6,604)
Recognition of previously over-estimated deferred tax liabilities	(81,042)	-
Undistributed earnings additional tax	12,165	17,174
Total	$ **(96,389)**	**220,456**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible Temporary Differences	$ 1,920	1,920
The carry foward unused tax losses	8,472	6,742
	$ **10,392**	**8,662**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

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Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2021, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Sunwell Carbon Fiber Composite:

Year of loss	Unused tax loss	Expiry date
2020	$7,185	2030
2021	$18,312	2031

Swancor Innovation & Incubation:

Year of loss	Unused tax loss	Expiry date
2021	$16,862	2031

2) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with the investments in subsidiaries as at 31 December 2021 and 2020. Also, the management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2021	December 31, 2020
Aggregate amount of temporary differences related to investments in subsidiaries	$ 2,482,505	2,010,221
Unrecognized deferred tax liabilities	$ 496,501	402,044

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred Tax Assets:

	Impairment and obsolescence of inventory	Unrealized profit from subsidiaries	Unrealized foreign exchange loss	Impairment loss of bad debts	The carry forward of unused tax losses	Refund liability	Other	Total
Balance at 1 January 2021	$ 4,638	16,192	3,486	7,409	30,301	-	5,044	67,070
Recognized profit or loss	2,447	(1,397)	(708)	3,790	9,036	1,871	5,865	20,904
Balance at 31 December 2021	$ 7,085	14,795	2,778	11,199	39,337	1,871	10,909	87,974
Balance at 1 January 2020	$ 1,428	16,946	1,942	38,048	50,339	-	3,754	112,457
Recognized profit or loss	3,210	(754)	1,544	(30,639)	(20,038)	-	1,290	(45,387)
Balance at 31 December 2020	$ 4,638	16,192	3,486	7,409	30,301	-	5,044	67,070

(Continued)

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Deferred Tax Liabilities:

		Unrealized foreign exchange gain	Recognized foreign investment income in equity method	Other	Total
Balance at 1 January 2021	$	1,391	100,322	-	101,713
Recognized profit or loss		(1,119)	(100,322)	567	(100,874)
Balance at 31 December 2021	**$**	**272**		**567**	**839**
Balance at 1 January 2020	$	250	48,717	6	48,973
Recognized profit or loss		1,141	51,605	(6)	52,740
Balance at 31 December 2020	**$**	**1,391**	**100,322**	**-**	**101,713**

(iii) Assessment of tax

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

	Assessed Year
The Company	2019
Sunwell Crbon Fiber Composite	2019
Swancor Highpolymer	2019
	(2018 has yet to be approved)

(w) Capital and other equity

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.

As of December 31, 2021 and 2020, the Company's authorized ordinary shares of 200,000 thousand amounted to $2,000,000 thousand for both years, with a par value of $10 per share.

Its outstanding capital consisted of 93,505 thousand common shares for both years ended December 31, 2021 and 2020.

Reconciliation of shares outstanding for 2021 and 2020 were as follows:

	Ordinary Shares	
(in thousands of shares)	**2021**	**2019**
Balance on January 1 (as the same Balance at 31 December)	**$ 93,505**	**93,505**

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(i) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2021	December 31, 2020
Share capital	$ 405,127	405,127
Premium on bonds conversion	541,507	541,507
Donation	253	253
Employee share options(overdue and not be executed)	8,151	8,151
Treasury share transactions	107,315	100,472
Expired stock option	41,059	41,059
Difference arising from subsidiary's share price and its carrying value	1,064,440	1,063,870
Stock transfer(from retained earnings of Swancor)	780,337	780,337
Equity component of convertible bonds recognized in stock option	213,351	-
	$ 3,161,540	2,940,776

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) On September 28, 2020, Swancor Advanced Materials, had initial public offering in Shanghai Stock Exchange's Star Market, wherein 43,200 thousand shares were issued, amounting to $307,846 thousand, for its capital increase. However, the Group failed to invest proportionately in the above capital increase, resulting in its percentage of ownership in Swancor Advanced Material to decrease from 88.75% to 79.24%, and causing its equity to also decrease by $149,457 thousand. The related registration procedures had been completed.

3) A resolution was approved during the Board meeting held on September 24, 2020 to it capital increase, wherein 48,000 thousand shares were issued, amounting to $480,000 thousand, the capital increase base date is October 16,2020. However, the Group failed to invest proportionately in the above capital increase, resulting in its percentage of ownership in Sunwell Carbon Fiber Composite to decrease from 100% to 86.42%, and causing the net value of the originally held shares decreased by $3,999 thousand. The related registration procedures had been completed.

4) A resolution was decided during the Board of Directors' meeting held on December 31, 2020 to determine whether to repurchase the 600 thousand shares within the period from January 1 to June 30, 2021 at the price of $10 to $10.20 per share, as treasury shares, to transfer to employees in the six months ended June 30, 2021. For the six months ended June 30, 2021, the Group had repurchased 133 thousand of the above shares, resulting in its shareholding ratio to increase from 86.42% to 86.63% and recognized the amount of $346 thousand as capital surplus.

5) A resolution was decided during the Board of Directors meeting held on August 4, 2021, to determine whether to repurchase the 600 thousand shares within the period from August 4, 2021 to February 4, 2022 at the price of $10 to $10.20 per share, as treasury shares, to transfer to employees in 2021. In 2021, the Group had repurchased 183 thousand of the above shares, resulting in its shareholding ratio to increase from 86.63% to 86.71%, and recognized the amount of $91 thousand as capital surplus.

6) A resolution was decided during the Board of Directors' meeting held on November 5,2021 to authorize the chairman of the Board to transfer 183 thousand shares of treasury stock to employees for subscription. The treasury stock was transferred in November 2021, $435 thousand share premium - subsidiary changes in equity was recognized, and $67 thousand share premium was recognized for non-controlling interest. In addition, due to the Group's ownership percentage decreased from 86.71% to 86.42%, share premium for subsidiary changes in equity reduced $302 thousand.

7) A resolution was decided during the Board of Directors' meeting held on December 16,2021 to authorize the transfer of 287 thousand shares of treasury stock to employees for subscription. The treasury stock was transferred in December 2021 and share premium- treasury stock $6,843 thousand was recognized.

8) 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.

(iii) 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.

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Before the distribution of dividends, the Company shall first take into consideration its programs to maintain operating efficiency and meet its capital expenditure budget. The earning distribution can be settled by cash or by stocks and cash dividends shall not be more than 10% of total dividends.

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

Earnings distribution for 2020 and 2019 were decided by the general meeting of the shareholders held on May 30, 2020 and May 30, 2019 as follows:

	2020		2019	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 3.5	323,766	4	368,014

Earnings distribution for 2021 were decided by the general meeting of the shareholders held on March 11, 2021 as follows:

	2021	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	$ 1.5	139,187

(iv) Treasury shares

1) In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 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.

(Continued)

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The movement of treasury stock for 2021 was as follows:

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	1,000	-	287	713

The movement of treasury stock for 2020 was as follows:

Reason for repurchase	Beginning shares	Increase	Decrease	Ending shares
Transfer to employees	1,501	1,000	1,501	1,000

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.

4) On June 18, 2020, the Company announced that it will transfer 957 thousand treasury shares to its employees, with the value of $69,153 thousand, wherein the Company will recognize the salary expense, capital surplus and minority interest of $12,046 thousand, $11,441 thousand and $605 thousand, respectively. The transfer of treasury shares had been completed in June 2020.

5) On December 30, 2020, the Company announced that it will transfer 544 thousand treasury shares to its employees, with the value of $44,792 thousand, wherein the Company will recognize the salary expense, capital surplus and minority interest of $37,046 thousand, $31,107 thousand and $5,939 thousand, respectively. The transfer of treasury shares had been completed in January 2021.

6) On December 16, 2021, the Company announced that it will transfer 287 thousand treasury shares to its employees, with the value of $19,040 thousand, wherein the Company will recognize the salary expense, capital surplus, and minority interest of $7,606 thousand, $6,843 thousand, and $763 thousand, respectively, in December 2021. The transfer procedures had been completed in January 2022.

7) Measurement of fair value on grant date

The Group evaluated the fair value of share-based payment by using the Black-Scholes option pricing model; the related parameters were as follows:

	June 18, 2020 Transfer for employees
Fair value of grant day	$ 84.90
Stock price of grant day	84.90
Strike price	72.26
Expected volatility	34.85 %
Expected Life	2
Risk-free interest rate	0.248 %

	December 30, 2020 Transfer for employees
Fair value of grant day	$ 150.5
Stock price of grant day	150.5
Strike price	82.34
Expected volatility	185.00 %
Expected Life	1
Risk-free interest rate	0.1258

	December 16, 2021 Transfer for employees
Fair value of grant day	$ 93.00
Stock price of grant day	93.00
Strike price	66.34
Expected volatility	44.66 %
Expected Life	8
Risk-free interest rate	0.405 %

Expected volatility is based on the weighted average of historical volatility, and it is adjusted when there is additional market information about the volatility. The Group determined the expected dividends, wherein the risk-free interest rate is based on interest rate of bank time deposit. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

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(v) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at 1 January 2021	$	(415,073)	(3,762)	(418,835)
Exchange differences on foreign operations		28,071	-	28,071
Net change in fair value of investment in debt-instrument at FVIOCI		-	(603)	(603)
Balance at 31 December 2021	$	**(387,002)**	**(4,365)**	**(391,367)**
Balance at 1 January 2020	$	(417,986)	(4,491)	(422,477)
Exchange differences on foreign operations		2,913	-	2,913
Net change in fair value of investments in debt-instrument at FVIOCI		-	729	729
Balance at 31 December 2020	$	**(415,073)**	**(3,762)**	**(418,835)**

(x) Share-based Payments

(i) Details of the share-based payment agreement of Swancor Advanced Materials are as follows:

Type of agreement	Grant date	Granted share(in thousand shares)	Contract Period	Conditions
Restricted employee stock option plan (Notes)	2016.03.31	3,047	4 years	Employees' performance has reached the Company's performance standard

Notes: The restricted employee stock option issued by Swancor Advanced Materials cannot be transferred without meeting the required condition, but voting rights and participation of dividend distribution are not limited.

The Shareholders' meeting was held on 29 March 2016, Swancor Advanced Materials decided to award 3,047 thousand new shares of restricted stock at an issuance price of CNY9.82, and a fair value of CNY2.44, on grant day to those full-time employees who meet the Company's requirements.

(ii) Details of restricted non-vesting stock option for employees of the Company were as follows:

		2021 Number of shares(thousand)	2020 Number of shares(thousand)
Outstanding at 1 January	$	3,047	3,047
Vested		(3,047)	-
Outstanding at 31 December	**$**	**- (Note)**	**3,047 (Note)**

Note: According to the share transfer agreement, the shares cannot be transferred within a year on the day Swancor Advanced Materials was listed in the public market.

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(iii) Expense incurred from share-based arrangements:

	2021	2020
Expenses resulting from granted employee share options	$ -	-

(y) Earnings per Share

1 Basic earnings per share

(i) Profit attributable to ordinary shareholders of the Company

	2021	2020
Profit (loss) attributable to ordinary shareholders of the Company	$ 185,933	626,024

(ii) Weighted average number of ordinary shares

	2021	2020
Issued ordinary shares at 1 January	$ 92,505	92,004
Effect of treasury shares hedl	7	(185)
Weighted average number of ordinary shares at 31 December	$ 92,512	91,819

(iii) Basic earning per share

	2021	2020
Basic earning per share	$ 2.01	6.82

2 Diluted earnings per share

(i) Profit attributable to ordinary shareholders of the Company (diluted)

	2021	2020
Profit attributable to ordinary shareholders of the Company(basic)	$ 185,933	626,024
Effect of dilutive potential ordinary shares		
Interest expense on convertible bonds, net of tax	$ 3,320	-
Profit attributable to ordinary shareholders of the Company (diluted)	$ 189,253	626,024

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(ii) Weighted average number of ordinary shares (diluted)

		2021	2020
Weighted average number of ordinary shares (basic)	$	92,512	91,819
Effect of dilutive potential ordinary shares			
Effect of restricted employee shares unvested (Notes)		18	166
Effect of conversion of convertible bonds		5,397	-
Weighted average number of ordinary shares (diluted)	**$**	**97,927**	**91,985**

(iii) Diluted earning per share

		2021	2020
Diluted earning per share	**$**	**1.93**	**6.81**

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.

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Primary geographical markets			
Taiwan	$	911,127	532,507
China		7,165,814	7,697,320
Other		2,633,359	1,638,073
	$	**10,710,300**	**9,867,900**
Major products/services lines			
Anti-corrosion material	$	3,239,275	2,134,551
Wind blade material		4,881,708	5,467,462
Other		2,589,317	2,265,887
	$	**10,710,300**	**9,867,900**

(Continued)

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liability-advance payment	$ 14,144	8,586	16,535

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

The amount of revenue recognized for the year ended December 31, 2021 and 2020 that was included in the contract liability balance at the beginning of the period were $8,017 thousand and $14,795 thousand, respectively.

(aa) Employee compensation and directors' and supervisors' remuneration

According to the Company's articles of incorporation, the Company should distribute its remuneration of not less than 1% 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. The said conditions and distribution method are decided by the Board of Directors or the personnel authorized by the Board of Directors.

For the year ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to $885 thousand and $7,022 thousand, and directors' and supervisors' remuneration amounting to $2,655 thousand and $14,010 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2021 and 2020. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020.

(ab) Non-operating income and expenses

(i) Interest income

The details of interest income for the years 2021 and 2020 were as follows:

	2021	2020
Interest income from bank deposits	$ 8,965	8,043
Interest income from bonds	1,474	-
	$ 10,439	8,043

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(ii) Other income

The details of other income were as follows:

		2021	2020
Government subsidy	$	54,958	22,314
Dividend income		-	157
Service revenue		-	203,630
Other		11,613	(18,621)
		66,571	**207,480**

The Group acquired service revenue through providing services to associates, please refer to note 7(b).

(iii) Other gains and losses

The details of other gains and losses for the years 2021 and 2020 were as follows:

		2021	2020
Gains on disposal of investments	$	4,394	4,408
Foreign exchange gains (losses)		(32,802)	11,943
Gains (losses) on disposal of property, plant and equipment		972	(473)
Gains on disposal of financial assets (liabilities) measured at fair value though profit or lost		893	198
	$	**(26,543)**	**16,076**

(iv) Finance costs

The details of finance costs for the year 2021 and 2020 were as follows:

		2021	2020
Interest expense-bank loans	$	82,967	65,928
Interest expense-lease liabilities		273	266
Interest expense-bonds		5,049	-
Interest expense-government loans		2,817	761
	$	**91,106**	**66,955**

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(ac) Financial instrument

(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 December 31, 2021 and 2020, the percentage of 16% and 11%, 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.

Other financial assets at amortized cost includes other receivables and other financial assets.

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 as of December 31, 2021 and 2020.

(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
December 31, 2021							
Non-derivative financial liabilities							
Secured loans	$	351,650	363,943	151,499	2,747	209,697	-
Unsecured loans		2,264,458	2,289,782	2,182,959	27,699	68,854	10,270
Other loans		40,073	44,500	-	-	44,500	-
Accounts payable		3,235,146	3,235,146	3,235,146	-	-	-
Bonds payable		1,900,906	2,000,000	-	-	2,000,000	-
Lease liability		11,573	11,732	8,134	2,786	812	-
	$	**7,803,806**	**7,945,103**	**5,577,738**	**33,232**	**2,323,863**	**10,270**

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	Carrying amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2020						
Non-derivative financial liabilities						
Secured loans	$ 749,118	765,006	333,661	431,345	-	-
Unsecured loans	651,753	663,950	663,950	-	-	-
Other loans	64,713	70,615	45,211	-	25,404	-
Account payable	4,071,274	4,071,274	4,071,274	-	-	-
Lease liability	7,080	7,874	3,761	3,761	352	-
	$ 5,543,938	5,578,719	5,117,857	435,106	25,756	-

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rates	TWD	Foreign currency	Exchange rates	TWD
Financial assets						
Monetary items						
USD	$ 28,599	27.68	791,620	15,088	28.095	423,897
EUR	13,297	31.32	416,462	14,513	34.54	501,279
Financial liabilities						
Monetary items						
USD	22,807	27.68	631,298	18,628	28.095	523,354
EUR	7,891	31.32	247,146	6,675	34.54	230,555

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, loans and borrowings and accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 0.5% of the TWD against the USD and EUR as at December 31, 2021 and 2020 would have increased (decreased) the net profit or loss after tax by $1,319 thousand and $686 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

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 years 2021 and 2020, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to $(32,802) thousand and $11,943 thousand, respectively.

(iv) 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 $10,624 thousand and $5,862 thousand for the year ended December 31, 2021 and 2020, respectively. This is mainly due to the Group’s borrowing in variable rates.

(v) Other market price risk

For the years ended December 31, 2021 and 2020, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

	For the years ended December 31			
	2021		2020	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 0.5%	$ 245	10	253	10
Decreasing 0.5%	(245)	(10)	(253)	(10)

(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:

(Continued)

Swancor Holding Company Limited and subsidiaries
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	December 31, 2021				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	$ 667,599	2,005	1,500	664,094	667,599
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 25,031	-	-	25,031	25,031
Stocks unlisted on domestic markets	48,950	48,950	-	-	48,950
Original bonds	41,946	41,946	-	-	41,946
	$ 115,927	90,896	-	25,031	115,927
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,530,959	-	-	-	-
Notes, accounts and other receivable	5,037,267	-	-	-	-
Other financial asset-current	167,915	-	-	-	-
Other financial asset-non-current	400,029	-	-	-	-
Cash surrender value of life insurance	56,340	-	-	-	-
Refundable deposit	4,634	-	-	-	-
Subtotal	8,197,144	-	-	-	-
Total	**$ 8,980,670**	**92,901**	**1,500**	**689,125**	**783,526**
Financial liabilities at fair value through profit or loss					
Non derivative financial liabilities mandatorily measured at fair value through profit or loss	$ 4,700	-	4,700	-	4,700
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 2,292,267	-	-	-	-
Notes, accounts (including related parties) and other payable	3,235,146	-	-	-	-
Long-term borrowings, current portion	20,187	-	-	-	-
Long-term borrowings (including other loans)	343,727	-	-	-	-
Bonds payable	1,900,906	-	2,299,500	-	2,299,500
Current and non-current lease liabilities	11,573	-	-	-	-
Subtotal	7,803,806	-	2,299,500	-	2,299,500
Total	**$ 7,808,506**	**-**	**2,304,200**	**-**	**2,304,200**

(Continued)

Swancor Holding Company Limited and subsidiaries
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	December 31, 2020				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	$ 538,654	2,012	-	536,642	538,654
Financial assets at fair value through other comprehensive income					
Stocks unlisted on domestic markets	$ 25,031	-	-	25,031	25,031
Stocks listed on domestic markets	48,550	48,550	-	-	48,550
Original bonds	43,963	43,963	-	-	43,963
Subtotal	$ 117,544	92,513	-	25,031	117,544
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,598,800	-	-	-	-
Notes, accounts and other receivables (including related parties)	6,107,257	-	-	-	-
Other financial assets-current	170,021	-	-	-	-
Other financial assets-non-current	5,423	-	-	-	-
Cash surrender value of life insurance	55,235	-	-	-	-
Refundable deposit	5,659	-	-	-	-
Subtotal	7,942,395	-	-	-	-
Total	**$ 8,598,593**	**94,525**	**-**	**561,673**	**656,198**
Financial liabilities measured at amortized cost					
Short-term borrowings (including other loans)	$ 781,129	-	-	-	-
Notes, accounts and other payables	4,071,274	-	-	-	-
Long-term borrowings, current portion	236,800	-	-	-	-
Long-term borrowings (including other loans)	447,655	-	-	-	-
Subtotal	5,536,858	-	-	-	-
Total	**$ 5,536,858**	**-**	**-**	**-**	**-**

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 in 2021 and 2020.

5) Reconciliation of Level 3 fair values

	Fair value through profit or loss (Unquoted equity instruments)	Fair value through other comprehensive income (Unquoted equity instruments)
Opening balance on January 1, 2021	$ 536,642	25,031
Purchased	127,452	-
Ending Balance on December 31, 2021	**$ 664,094**	**25,031**
Opening balance on January 1, 2020	$ 430,489	25,031
Purchased	106,153	-
Ending Balance on December 31, 2020	**$ 536,642**	**25,031**

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss-equity investments without an active market-Swancor Renewable Energy	Discounted Cash Flow Method	• Cost of equity Ratio (As of December 31, 2021 and 2020 were both 7.22%) • Lack of marketability discount (As of December 31, 2021 and 2020 were both 26.2%)	• the higher the Cost of equity Ratio, the higher the fair value • the higher the lack of marketability discount, the lower the fair value
Financial assets measured at fair value through profit or loss-equity investments without an active market-F I International	Discounted Cash Flow Method	• Cost of equity Ratio (As of December 31, 2021 and 2020 were 6.96% and 7.22%) • Lack of marketability discount (As of December 31, 2021 and 2020 were both 26.2%)	• the higher the Cost of equity Ratio, the higher the fair value • the higher the lack of marketability discount, the lower the fair value
Financial assets at fair value through other comprehensive income (Available-for-sale financial assets) equity investments without an active market-Gigantex Composite Technologies	Public company comparable	• Price-Book Ratio (As of December 31, 2021 and 2020 were 2.12~3.97 and 1.27~2.54, respectively) • Price-to-Sales Ratio(As of December 31,2021 and 2020 were 0.65~1.88 and 0.47~1.90, respectively) • Lack of marketability discount (As of December 31, 2021 and 2020 were both 35.0%)	• the higher the Price-Book Ratio, the higher the fair value • the higher the Price-to-Sales Ratio, the higher the fair value • the higher the lack of marketability discount, the lower the fair value

(Continued)

Swancor Holding Company Limited and subsidiaries
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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:

			Profit or loss		Other comprehensive income	
December 31, 2021	**Input value**	**Change up or down**	**Favorable**	**Unfavorable**	**Favorable**	**Unfavorable**
Financial assets at fair value through profit or lost						
Equity investments without an active market	$ 664,094	0.5%	3,320	(3,320)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	$ 25,031	0.5%	-	-	125	(125)

			Profit or loss		Other comprehensive income	
December 31, 2020	**Input value**	**Change up or down**	**Favorable**	**Unfavorable**	**Favorable**	**Unfavorable**
Financial assets at fair value through profit or lost						
Equity investments without an active market	$536,642	0.5 %	2,683	(2,683)	-	-
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.

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(ad) Financial risk management

(i) Overview

The Group is exposed to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Group’ s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulates the use of derivative financial instruments in accordance with the Group’ s policy on risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investments of excess liquidity. The internal auditors of the Group continue to review the amount of the risk exposure in accordance with the Group’s policies and the risk management's policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, that arise principally from the Group’s accounts receivable from customers and investments securities.

1) Trade and other receivables

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. When it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Group continuously monitors its exposure to credit risk and counterparty credit ratings, and sets sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the Risk Management Committee.

The Group did not have any collateral or other credit enhancements in order to avoid credit risk of the financial assets.

(Continued)

2) Investment

The exposure to credit risk for bank deposits and other financial instruments is measured and monitored by the Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any of the counterparties above to fail in meeting their obligations; hence, there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises its banking facilities to ensure they are in compliance with the terms on loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2021 and 2020, the Group's unused short term and long term bank facilities amounted to $2,186,916 thousand and $445,550 thousand, respectively.

(v) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group’s entities, primarily the New Taiwan (NTD), US Dollars (USD) and Chinese Yuan (CNY). The currencies used in these transactions are the NTD, USD, and CNY.

2) Interest rate risk

The Group adopts a policy of ensuring that changes in interest rates on borrowings is on a variable rate basis

(ae) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, and issue new shares, or sell assets to settle any liabilities.

(Continued)

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The Group and other entities in the similar industry use the debt-to-equity ratio to manage their capital. This ratio is calculated using the total net debt, divided by the total capital. The net debts from the balance sheet is derived from the total liabilities, less, cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity, plus, net debt.

As of December 31, 2021, the Group's capital management strategy is consistent with that of the prior year, and the gearing ratio is maintained within 25% to 55% so as to ensure financing at reasonable cost. The Group's debt-to-equity ratio at the end of the reporting period as at December 31, 2021 and 2020 were as follows:

		December 31, 2021	**December 31, 2020**
Total liabilities	$	8,015,982	5,803,635
Less: cash and cash equivalents		2,530,959	1,598,800
Net debt		5,485,023	4,204,835
Total equity		6,560,326	6,415,597
Adjusted equity	**$**	**12,045,349**	**10,620,432**
Debt-to-equity ratio		**46%**	**40%**

(af) 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 years ended December 31, 2021 and 2020, were as follows:

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

(ii) For conversion of convertible bonds to ordinary shares, please refer to notes 6(w).

(iii) For shared-based payments, please refer to notes 6(x).

Reconciliation of liabilities arising from financing activities were as follows:

				Non-cash changes			
		January 1, 2021	**Cash flows**	**Acquisition**	**Foreign exchange movement**	**Amortization**	**December 31, 2021**
Short-term borrowings	$	738,071	1,554,196	-	-	-	2,292,267
Long-term borrowings (including current portion)		662,800	(335,989)	(3,613)	-	643	323,841
Other loans (including deferred income)		69,078	(308)	3,613	476	(863)	71,996
Lease liabilities (including current portion)		7,665	(6,769)	10,676	1	-	11,573
Bonds payable		-	2,113,308	(217,451)	-	5,049	1,900,906
Total liabilities from financing activities	**$**	**1,477,614**	**3,324,438**	**(206,775)**	**477**	**4,829**	**4,600,583**

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	January 1,2020	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Foreign exchange movement	Non-cash changes: Amortization	December 31, 2020
Short-term borrowings	$ 398,142	339,929	-	-	-	738,071
Long-term borrowings (including current portion)	1,250,000	(588,400)	-	-	1,200	662,800
Other loans (including current portion)	-	68,228	-	89	761	69,078
Lease liabilities (including current portion)	39,181	(4,944)	(26,572)	-	-	7,665
Total liabilities from financing activities	**$ 1,687,323**	**(185,187)**	**(26,572)**	**89**	**1,961**	**1,477,614**

(7) Related-party transactions:

(a) Names and relationship with related parties

Name of related party	Relationship with the Group
Swancor Renewable Energy Co., Ltd. (Swancor Renewable Energy)	Key management personnel of the Group is Swancor Renewable Energy's director
Anhui Meijia New Materials Co., Ltd. (Meijia New Materials)	Associate of the Group
Jau-Yang, Tsai	Chairman of the Group

(b) Significant transactions with related parties

(i) Purchase

The Group purchase from Related Parties was as follows:

	2021
Associates-Meijia New Materials	**$ 29,523**

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) Labor income

The Group provide labor service to associates in 2021 and 2020 were as follows:

	2021	2020
Other related parties-Swancor Renewable Energy	**$ -**	**156,010**

(iii) Rent income

The Group's rent income due to rent offices to associates in 2021 and 2020 were as follows:

	2021	2020
Other related parties-Swancor Renewable Energy	**$ -**	**2,100**

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(iv) Property transaction

The Company purchased a parcel of land from its chairman, Mr. JauYang, Tsai, with the total area measuring 70,075.642 square feet, at the price of $244,770 thousand, which had been fully paid on December 31, 2020. The land price was based on the appraisal report of the property appraisal company. Please refer to note 6(k) for details of land changes in the current period.

(v) Receivables from Related Parties

The receivables from associates were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Other receivables	Other related parties - Swancor Renewable Energy	$ -	5,617

(vi) Payables from Related Parties

The payables from associates were as follows:

Account	Relationship	December 31, 2021
Account payables	Associate - Meijia New Materials	$ 29,523

(c) Key management personnel compensation

Key management personnel compensation comprised the following:

	2021	2020
Short-term employee benefits	$ 29,762	23,513
Post-employment benefits	1,194	850
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	5,035	-
	$ 35,991	24,363

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Land	Bank Loans	$ 537,281	239,306
Buildings	Bank Loans	146,647	195,396
Right-of-use asset	Bank Loans	161,260	150,501
Restricted bank deposit (other financial assets-current)	Bank's acceptance bill, long-term borrowings, stand by L/C and bank guarantee	167,915	170,021
Restricted bank deposit (other non-current assets)	Guarantee letter of convertible bond and bank loans	400,029	5,423
Domestic on listed Company (non-current financial assets at fair value through other comprehensive income)	Long-term borrowings	-	48,550
		$ 1,413,132	809,197

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

	December 31, 2021	December 31, 2020
Acquisition of property, plant and equipment	$ 863,705	278,668

(b) Outstanding standby letter of credit

	December 31, 2021	December 31, 2020
Outstanding standby letter of credit	$ 128,242	125,538

(c) Contingencies: None.

(d) Other

The subsidiary, Swancor Advanced Materials, applied for initial public offering on Shanghai Stock Exchange Star Market in January 2020. Swancor Holding, Swancor Industrial, Strategic and Swancor are the shareholders of Swancor Advanced Materials, Swancor Advanced Materials and aforementioned shareholders should provide the related commitments according to the requirements of China Securities Regulatory Commission, Shanghai Stock Exchange and other regulatory commission. Related information of commitments would be available at the Market Observation Post System website.

(10) Losses Due to Major Disasters: None.

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(11) Subsequent Events:

On December 23, 2021 and February 8, 2022, the Group's subsidiary - Sunwell Carbon Fiber Composites paid $65,000 thousand and 130,000 thousand in advance, respectively. The payments were used for investing COTECH INC. and issuing 130,000 thousand shares of preferred stock with voting rights, resulting in ownership of 80.82% after all the subscription shares were issued, and the Group, therefore, has controls over COTECH INC. The issuance and the registration of the preferred shares had been completed on February 8, 2022.

(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	2021			2020		
By item	Cost of sales from continuing operations	Operating expenses from continuing operations	Total	Cost of sales from continuing operations	Operating expenses from continuing operations	Total
Employee benefits						
Salary	157,431	289,794	447,225	109,369	305,842	415,211
Labor and health insurance	13,774	22,124	35,898	8,779	16,921	25,700
Pension	16,029	20,877	36,906	3,504	9,800	13,304
Others	10,117	5,962	16,079	6,708	4,816	11,524
Depreciation	109,942	87,394	197,336	55,702	102,088	157,790
Amortization	28	4,241	4,269	3	3,885	3,888

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following is 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 Innovation & Incubation	Other receivables	Yes	30,000	30,000	30,000	-%	2	-	Operating purpose	-		-	2,172,836 (Note 1)	2,172,836 (Note 2)
0	Swancor Holding	Swancor	Other receivables	Yes	CNY 3,600 99,504	USD 1,800 49,824	USD 1,800 49,824	3%	2	-	Operating purpose	-		-	2,172,836 (Note 1)	2,172,836 (Note 2)
0	Swancor Holding	Sunwell Carbon Fiber Composite	Other receivables	Yes	130,000	130,000	65,000	1.6%	2	-	Operating purpose	-		-	814,814 (note 1)	2,172,836 (note 2)
0	Swancor Holding	Swancor (Jiangsu) Carbon Composites	Other receivables	Yes	USD 4,000 CNY 18,000 304,902	CNY 18,000 78,147	CNY 18,000 78,147	4%	2	-	Operating purpose	-		-	814,814 (note 1)	2,172,836 (note 2)
1	Swancor Highploymer	Swncor Ind (M)	Other receivables	Yes	5,707	-	-	-%	2	-	Operating purpose	-		-	111,224 (note 3)	296,596 (note 3)
2	Sunwell Carbon Fiber Composite	Swancor (Jiangsu) Carbon Composites	Other receivables	Yes	CNY 20,000 87,156	CNY 20,000 86,830	CNY 5,000 21,708	4.5%	2	-	Operating purpose	-		-	98,107 (note 3)	261,619 (note 3)

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 Swancor Highploymer and Sunwell Carbon Fiber Composite, the amount of endorsements and/or guarantees to subsidiaries of the Group shall not exceed 15% of Swancor Highploymers' and Sunwell Carbon Fiber Composites' net worth. The total amount of endorsements and/or guarantees to subsidiaries of the Group shall not exceed 40% of Swancor Highploymers' and Sunwell Carbon Fiber Composites' net worth.

Note4：For the purpose of lending, the numbering is classified as follows:

1) Business relationship.

2) Short-term financing.

Note5：The transactions have been eliminated upon consolidation.

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(ii) Guarantees and endorsements for other parties:

In Thousands of New Taiwan Dollars)

		Counter-party of guarantee and endorsement											
No.	Name of guarantor	Name	Relationship with the Company	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
0	Swancor Holding	Swancor (Jiangsu) Carbon Composites	2	2,716,046	920,016	886,398	538,611	-	16.32 %	5,432,091	Y	N	Y
1	Swancor Highpolymer	Swancor Ind (M)	1	370,745	27,810	27,680	-	-	3.73 %	741,490			
2	Swancor Advanced Materials	Swancor Ind (M)	2	1,372,301	943,665	940,275	30,704	-	41.11 %	2,287,168	N	N	N
2	Swancor Advanced Materials	Swancor (Jiangsu)	2	1,372,301	65,367	65,123	30,998	-	2.85 %	2,287,168	N	N	Y
2	Swancor Advanced Materials	Swancor (Tianjin)	2	1,372,301	653,670	651,225	317,605	-	28.47 %	2,287,168	N	N	Y

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

Note3： According to the “Procedure for Loaning of Funds and Endorsements and Guarantees” issued by Swancor Highploymer, the amount of endorsements and/or guarantees to subsidiaries of the Group shall not exceed 50% of Swancor Highploymers' net worth. The total amount of endorsements and/or guarantees to subsidiaries of the Group shall not exceed 100% of Swancor Highploymers’ and Sunwell Carbon Fiber Composites' net worth.

Note4：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.

(Continued)

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

(iii) Securities held as of December 31, 2021 (excluding those investments in subsidiaries, associates and joint ventures):

(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 – Swancor Renewable Energy	Other related parties	Financial assets at fair value through profit or loss-non-current	25,127	259,707	5.00 %	259,707	
Swancor Holding	Stock – China Communications Media Group Co., Ltd.		Financial assets at fair value through profit or loss-current	9,868	191	0.07 %	191	
Swancor Holding	Stock- Tsang Yow Industrial Co., Ltd.		Financial assets at fair value through profit or loss-current	26,000	623	0.03 %	623	
Swancor Holding	Stock – Aero Win Technology Corporation		Financial assets at fair value through profit or loss-current	12,000	178	0.02 %	178	
Swancor Holding	Stock – KoanHau Technology Co., Ltd.		Financial assets at fair value through profit or loss-current	68,000	1,013	0.09 %	1,013	
Swancor Holding	Stock - F I International		Financial assets at fair value through profit or loss-non-current	45,246	404,387	7.50 %	404,387	
Swancor Holding	Stock – Gigantex Composite Technologies Co., Ltd.		Financial assets at fair value through other comprehensive income-non-current	19,845	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	1,000,000	48,950	0.1 %	48,950	
Swancor Holding	Stock – Promix Composites, Inc.		Financial assets at fair value through other comprehensive income-non-current	1,500	-	10 %	-	
Swancor Holding	Bonds- Dell International L. L. C		Financial assets at fair value through other comprehensive income-non-current	500,000	-	10 %	-	
Swancor Holding	Bonds-The Royal Bank of Scotland Group plc		Financial assets at fair value through other comprehensive income-non-current	-	5,990	- %	5,990	
Swancor Holding	Bonds- Dell International L. L. C		Financial assets at fair value through other comprehensive income-non-current	-	6,452	- %	6,452	
Swancor Holding	Bonds-Citigroup Inc.		Financial assets at fair value through other comprehensive income-non-current	-	10,536	- %	10,536	
Swancor Holding	Bonds-AT & T Corporation		Financial assets at fair value through other comprehensive income-non-current	-	7,509	- %	7,509	
Swancor Holding	Bonds-British Petroleum		Financial assets at fair value through other comprehensive income-non-current	-	5,560	- %	5,560	
Swancor Holding	Bonds-Hewlette Packard Company		Financial assets at fair value through other comprehensive income-non-current	-	5,899	- %	5,899	

(iv) Individual securities acquired, or disposed, with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

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

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital:.

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
Swancor Holding	Land	2021.10.12	292,511	As of November 31, 2021, $292,511 thousand had been paid	Nantou County Goverment	None	Not appicable	Not appicable	Not appicable	-	Public Bidding	For operating	None
Swancor Holding	Construction in progress	2021.12.31	196,958	According to contract	Truedreams Construction Co., LTD etc.	None	Not appicable	Not appicable	Not appicable	-	Public Bidding	For operating	None

(vi) Disposal of individual real estate with an amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details: Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Transactions with terms different from others: Unit price	Payment terms	Notes/Accounts receivable (payable): Ending balance	Percentage of total notes/accounts receivable (payable)	Note
Swancor Highpolymer	Swancor Advanced Materials	Direct or indirect subsidiaries of the Company	(sales)	(123,370)	(0.92)%	90 Days	Note 1	No difference	15,195	0.40%	
Swancor Advanced Materials	Swancor Highpolymer	Direct or indirect subsidiaries of the Company	Purchase	123,370	0.83%	90 Days	Note 1	No difference	(15,293)	(0.39)%	
Swancor Advanced Materials	Swancor (Tianjin)	Direct or indirect subsidiaries of the Company	(sales)	(1,206,735)	(9.01)%	90 Days	Note 1	No difference	1,764	0.05%	
Swancor (Tianjin)	Swancor Advanced Materials	Direct or indirect subsidiaries of the Company	Purchase	1,206,735	8.08%	90 Days	Note 1	No difference	(1,764)	(0.04)%	
Swancor (Jiangsu)	Swancor Advanced Materials	Direct or indirect subsidiaries of the Company	(sales)	(1,331,247)	(5.76)%	90 Days	Note 1	No difference	155,578	4.06%	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct or indirect subsidiaries of the Company	Purchase	1,331,247	8.92%	90 Days	Note 1	No difference	(155,578)	(3.95)%	
Swancor Advanced Materials	Swancor (Jiangsu)	Direct or indirect subsidiaries of the Company	(sales)	(132,697)	(0.99)%	90 Days	Note 1	No difference	14,381	0.38%	
Swancor (Jiangsu) Carbon Composities	Swancor (Tianjin)	Direct or indirect subsidiaries of the Company	Purchase	132,697	0.98%	90 Days	Note 1	No difference	(14,381)	(0.37)%	
Swancor (Jiangsu)	Swancor (Tianjin)	Direct or indirect subsidiaries of the Company	(sales)	(771,880)	(5.76)%	90 Days	Note 1	No difference	221,803	5.79%	
Swancor (Tianjin)	Swancor (Jiangsu)	Direct or indirect subsidiaries of the Company	Purchase	771,880	5.17%	90 Days	Note 1	No difference	(221,803)	(5.64)%	
Swancor (Tianjin)	Swancor (Jiangsu)	Direct or indirect subsidiaries of the Company	(sales)	(259,055)	(1.93)%	90 Days	Note 1	No difference	-	-%	
Swancor (Jiangsu)	Swancor (Tianjin)	Direct or indirect subsidiaries of the Company	Purchase	259,055	1.74%	90 Days	Note 1	No difference	-	-%	

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

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

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 or indirect subsidiaries of the Company	155,578	9.41 %	-	-	-	-
Swancor (Jiangsu)	Swancor (Tianjin)	Direct or indirect subsidiaries of the Company	221,803	3.91 %	-	-	-	-

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counterparty	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Swancor Advanced Materials	Swancor Highpolyemer	3	Purchase	123,370	The sales prices and payment terms were same as those of sales to third parties.	1.15 %
1	Swancor Advanced Materials	Swancor (Jiangsu)	3	Sales	1,206,735	The sales prices and payment terms were same as those of sales to third parties.	11.26 %
1	Swancor Advanced Materials	Swancor (Jiangsu)	3	Purchase	1,331,247	The sales prices and payment terms were same as those of sales to third parties.	12.42 %
1	Swancor Advanced Materials	Swancor (Jiangsu) Carbon Composities	3	Sales	132,697	The sales prices and payment terms were same as those of sales to third parties.	1.24 %
2	Swancor (Tianjin)	Swancor (Jiangsu)	3	Sales	259,055	The sales prices and payment terms were same as those of sales to third parties.	2.42 %
2	Swancor (Tianjin)	Swancor (Jiangsu)	3	Purchase	771,880	The sales prices and payment terms were same as those of sales to third parties.	7.20 %
3	Swancor (Jiangsu)	Swancor Advanced Materials	3	Purchase	1,206,735	The sales prices and payment terms were same as those of sales to third parties.	11.26 %
3	Swancor (Jiangsu)	Swancor Advanced Materials	3	Sales	1,331,247	The sales prices and payment terms were same as those of sales to third parties.	12.42 %
3	Swancor (Jiangsu)	Swancor(Tianjin)	3	Sales	771,880	The sales prices and payment terms were same as those of sales to third parties.	7.20 %
3	Swancor (Jiangsu)	Swancor(Tianjin)	3	Purchase	259,055	The sales prices and payment terms were same as those of sales to third parties.	2.42 %
4	Swancor Highpolymer	Swancor Advanced Materials	3	Sales	123,370	The sales prices and payment terms were same as those of sales to third parties.	1.15 %
5	Swancor (Jiangsu) Carbon Composities	Swancor Advanced Materials	3	Purchase	132,697	The sales prices and payment terms were same as those of sales to third parties.	1.24 %

Note1：The number filled in as follows:

1) 0 represents the company.

2) Subsidiaries are sorted in a numerical order starting from 1.

Note2：Transactions labeled as follows:

1) 1 represents the transactions form parent company to subsidiaries.

2) 2 represents the transactions from subsidiaries to parent company.

3) 3 represents the transactions between subsidiaries.

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

(b) Information on investees:

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

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2021	Original investment amount: December 31, 2020	Balance as of December 31, 2021: Shares (thousands)	Balance as of December 31, 2021: Percentage of ownership	Balance as of December 31, 2021: Carrying value	Net income (losses)of investee	Share of profits/losses of investee	Note
Swancor Holding	Sunwell Carbon Fiber Composite	R.O.C.	Producing and selling carbon composites	458,000	458,000	45,800	86.42%	564,395	33,409	28,724	Investment Using the Equity Method
Swancor Holding	Strategic	Samoa	Investing and holding	USD 9,601 317,780	USD 9,601 317,780	9,601	100%	3,505,575	USD 1,828 51,164	67,073	Investment Using the Equity Method
Swancor Holding	Swancor Innovation & Incubation	R.O.C	Management consulting	10,000	-	1,000	100%	(6,039)	(17,179)	(17,179)	Investment Using the Equity Method
Strategic	Swancor	Samoa	Investing and holding	USD 7,100 67,073	USD 7,100 233,692	7,100	100%	USD 104,076 2,880,827	USD 1,464 40,986	USD 1,464 40,986	Investment Using the Equity Method
Swancor Advanced Materials	Swancor (HK)	Hong Kong	Investing and holding	USD 21,880 662,997	USD 21,880 662,997	35,650	100%	CNY 212,201 921,266	CNY 7,911 34,332	CNY 7,911 34,332	Investment Using the Equity Method
Swancor (HK)	Swancor Ind. (M)	Malaysia	Chemical products manufacturing and processing	USD 7,820 241,521	USD 7,820 241,521	32,657	100%	HKD 50,516 179,311	HKD 1,726 6,216	HKD 1,726 6,216	Investment Using the Equity Method
Swancor (HK)	Swancor Highpolymer	ROC	Chemical products manufacturing and processing	USD 14,000 415,800	USD 14,000 415,800	41,580	100%	HKD 208,894 741,490	HKD 7,806 28,117	HKD 7,806 28,117	Investment Using the Equity Method

(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/CNY/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, 2021	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
Swancor Advanced Materials	Production and selling of Vinyl Ester Resins and light composite material resins	USD 20,677 CNY 348,576 1,834,912	Indirectly owned by the company	USD 2,500 84,071	-	-	USD 2,500 84,071	USD 2,746 76,892	79.24%	USD2,176 60,929	USD 130,950 3,624,704	CNY 131,009 585,878
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%	-	-	-
Swancor (Tianjin)	Energy conservation wind power laminar resins' manufacturing and selling	USD 7,000 CNY 5,500 254,376	Indirectly owned by the company	USD 7,000 230,401	-	-	USD 7,000 230,401	CNY (12,246) (53,144)	79.24%	CNY(9,704) (42,111)	CNY 183,245 795,559	-
Swancor (Jiangsu).	Energy conservation wind power laminar resins' manufacturing and selling	CNY 122,500 613,850	Indirectly owned by the company	CNY 76,875 380,892	-	-	CNY 76,875 380,892	CNY 15,361 66,659	79.24%	CNY12,172 52,820	CNY 135,379 587,747	USD -
Meijia New Materials	Producing and selling of powder coating and epoxy resin	CNY 210,000 913,290	Indirectly owned by the company	CNY - -	-	-	CNY - -	CNY 5,692 24,700	18.87%	CNY 2,507 10,878	CNY 168,911 733,323	-
Swancor (Jiangsu) Carbon Composites	Producing and selling carbon composites	USD 19,000 611,313	Directly owned by the company	USD 15,940 512,237	-	-	USD 15,940 512,237	CNY 17,557 76,191	72.50%	CNY 14,729 63,920	415,378	-

(Continued)

SWANCOR HOLDING COMPANY LIMITED AND SUBSIDIARIES
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(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Swancor Holding	USD 2,282	USD 93,545 2,815,863 (Note 3)	3,936,196

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 US$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.

(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.	10,600,625	11.33 %
Jau-Yang, Tsai	8,894,033	9.51 %
Fubon Life Insurance Co., Ltd	5,005,000	5.35 %

(14) Segment information:

(a) General information

The Group's reportable segment is the Composite Material segment. The Composite Material segment's main operating activities are the manufacturing and selling of Precision chemical materials, energy conservation LED resins and energy conservation wind power laminar resins.

(b) Information about reportable segments and their measurement and reconciliations:

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The profits and losses, assets, and assets’ information of the Group’s reportable segment are in consistent with the Group’s consolidated financial statements. Please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

The operating segment accounting policies are similar to those described in note 4.

(c) Product and Service information

Revenue from the external customers of the Group was as follows:

Product and services	**2021**	**2020**
Anti-corrosion material	$ 3,239,275	2,134,551
Wind blade material	4,881,708	5,467,462
Others	2,589,317	2,265,887
Total	$ **10,710,300**	**9,867,900**

(Continued)

Swancor Holding Company Limited and subsidiaries
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(d) Geographic information

In presenting the information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical information		2021	2020
Revenue from external customers :			
Taiwan	$	911,127	532,507
China		7,165,814	7,697,320
Other countries		2,633,359	1,638,073
	$	**10,710,300**	**9,867,900**
		December 31, 2021	**December 31, 2020**
Non-current assets：			
Taiwan	$	1,372,263	871,684
China		1,613,068	1,271,888
Other countries		140,431	128,874
	$	**3,125,762**	**2,272,446**

Non-current assets include property, plant and equipment, right-of-use asset, intangible assets, and other assets, excluding financial instruments, refundable deposits, other financial assets, prepaid pension cost, and deferred tax assets.

(e) Major Customers

		2021	2020
customer (A) of composite material division	$	**1,359,671**	**1,337,512**