

# Swancor Holding Company Limited

## 2021 Annual Shareholders' Meeting Minutes

Time and Date : 9:00 a.m. July 19, 2021

Place : No.7, Gongye Rd., Nantou City, Nantou County, Taiwan

Attendance: Total shares represented by shareholders present in person or by proxy:60,350,868 shares ( including 14,630,971 shares casted electronically), percentage of shares held by shareholders present in person or by proxy:65.24%, exceeded the statutory meeting shares ; Four directors attended this regular shareholders meeting, including Chairman Jau-Yang Tsai, independent director Chung-Ming Liu, director Kuei-Tuan Chen and director Pan-Chiang Yang, which exceeded half of the seven director seats.

Other attendees: Cheng-Hsueh Chen of KPMG

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

Recorder: Su-Chen Wu

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

II. **Chairperson's Remarks** (omitted)

### III. Report Items

- (1) 2020 Business Report (Please refer to Attachment)
- (2) 2020 Audit Committee's Audit Report (Please refer to Attachment)
- (3) 2020 Profit Distribution to Employees and Directors (Please refer to the shareholders meeting manual)
- (4) Repurchase of Treasury Shares (Please refer to the shareholders meeting manual)
- (5) Report on the equity dilution of the Company's investment in its subsidiary Sunwell Carbon Fiber Composite Corporation (Please refer to the shareholders meeting manual)

(Questions raised by the shareholder and the management's responses were omitted.)

### IV. Proposals

Case 1 (Proposed by the Board of Directors)

Cause: 2020 Business Report and Financial Statement

- Notes:1. The Company's stand-alone financial statements and consolidated financial statements (balance sheet, statement of comprehensive loss and profit, statement of changes in equity and cash flow) for 2020 were approved by the resolution of the Board of Directors on March 10, 2021, and audited by CPA Cheng-Hsueh Chen and CPA Tsu Hsin, Chang of KPMG. The above-mentioned financial statements, together with the business report, are submitted to the Audit Committee for audit. The audit has been completed and a written audit report has been issued.
2. Please refer to attachment for 2020 Business Report, the audit report of the CPAs and the above-mentioned forms and lists.
  3. The proposal is hereby submitted to the shareholders meeting for ratification.

(Questions raised by the shareholder and the management's responses were omitted.)

Voting Results:

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 59,320,925 votes (13,601,053 votes)	98.29%
Votes against : 8,341 votes (8,341 votes)	0.01%
Votes invalid : 0 vote	0.00%
Votes abstained : 1,021,602 votes (1,021,577 votes)	1.69%

\*including votes casted electronically (numbers in brackets)

RESOLVED, that the 2020 Business Report and Financial Statement be and hereby were accepted as submitted.

Case 2 (Proposed by the Board of Directors)

Cause: Earning Distribution in 2020.

Note: 1. The Company's 2020 earning distribution table is as follows:

Earning distribution table  
of Swancor Holding Co., Ltd.  
2020

Unit: NT\$

Item	Amount	
	Sub-total	Total
Beginning balance of retained earnings		652,621,343
Difference in net profit		
Changes in actuarial gains and losses for the current period		3,858
Adjusted beginning balance of retained earnings		652,625,201
Plus (minus):		
Net Income for the current period	626,029,245	
Legal reserve	(62,602,925)	
Reversal of special reserve	3,641,344	
<b>Distributable earnings as at 2020</b>		<b><u>1,219,692,865</u></b>
Distribution items		
Shareholders' dividend - cash (NT\$3.5 per share)	323,766,114	
<b>Total distribution items:</b>		<b><u>323,766,114</u></b>
<b>Undistributed surplus at the end of the period</b>		<b><u>895,926,751</u></b>

Chairman of the board: Jau-Yang Tsai    General Manager: Ming-Ren Zhan    Accounting supervisor: Shu-Hsien Kan

2. For this period's motion to distribute cash dividends, the dividend will be calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down. Shares below one dollar NTD will be adjusted from the largest decimal place, until the total amount of cash dividend has been distributed. After the approval of this shareholders' meeting, the Board of Directors shall be authorized to set the base date and payment date for dividend distribution.
3. If the change of the Company's share capital affects the number of outstanding shares and leads to the change and amendment of shareholder dividend ratio, Board of Directors shall be authorized to handle the changes.
4. The Company's 2020 earnings shall be distributed first.
5. The proposal is hereby submitted to the shareholders' meeting for ratification.

(Questions raised by the shareholder and the management's responses were omitted.)

**Voting Results:**

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 59,314,513 votes (13,594,641 votes)	98.28%
Votes against : 16,354 votes (16,354 votes)	0.02%
Votes invalid : 0 vote	0.00%
Votes abstained : 1,020,001 votes (1,019,976 votes)	1.69%

\*including votes casted electronically (numbers in brackets)

RESOLVED, that the Earning Distribution in 2020 be and hereby were accepted as submitted.

**V. Discussions**

Case 1 (Proposed by the Board of Directors)

Cause: Amendment to the Company's "Procedures for Election of Directors".

- Notes:
1. The Company will revise some provisions of the Company's "Rules for Election of Directors" in line with the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" revised by Taiwan Stock Exchange on June 3, 2020.
  2. Please refer to attachment for a comparison table of the provisions before and after the amendment of the Company's "Rules for Election of Directors".
  3. The proposal is hereby submitted to the shareholders' meeting for discussion.

**Voting Results:**

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 59,012,256 votes (13,292,384 votes)	97.78%
Votes against : 9,361 votes (9,361 votes)	0.01%

Votes invalid : 0 vote	0.00%
Votes abstained : 1,329,251 votes (1,329,226 votes)	2.20%

\*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Case 2 (Proposed by the Board of Directors)

Cause: Amendment to the Company's "Rules of Procedure for Shareholders Meetings".

Notes:1.The Company will amend some provisions of the Company's "Rules of Procedure for Shareholders Meetings in line with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" revised on June 3, 2020 and January 28, 2021 by the Taiwan Stock Exchange.

2.Please refer to attachment for a comparison table of the provisions before and after the amendment of the Rules of Procedure for Shareholders Meetings of the Company.

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

Voting Results:

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 59,013,252 votes (13,293,381 votes)	97.78%
Votes against : 9,364 votes (9,364 votes)	0.01%
Votes invalid : 0 vote	0.00%
Votes abstained : 1,328,251 votes (1,328,226 votes)	2.20%

\*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Case 3 (Proposed by the Board of Directors)

Cause: Amendment to the Company's "Procedures for the Acquisition or Disposal of Assets".

Note:1. In line with the actual operation process of the Company, the provisions of the Company's "Procedures for the Acquisition or Disposal of Assets" will be revised.

2. Please refer to attachment for a comparison table of the provisions before and after the amendment of the Company's "Procedures for the Acquisition or Disposal of Assets".

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

Voting Results:

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 59,010,628 votes (13,290,756 votes)	97.77%
Votes against : 12,936 votes (12,936votes)	0.02%
Votes invalid : 0 vote	0.00%

Votes abstained : 1,327,304 votes (1,327,279 votes)	2.19%
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\*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Case 4 (Proposed by the Board of Directors)

Cause: The Company may handle the release of shares of its subsidiary, Sunwell Carbon Fiber Composite Corporation for several times and given up participating in the cash capital increase plan

Note:1. In order to be in with the operation and development, attract and retain the required professionals of the subsidiary Sunwell Carbon Fiber Composite Corporation (hereinafter referred to as "Sunwell Carbon Fiber" or the company), and consider the future financing convenience, independent finance and equity value enhancement benefits of Sunwell Carbon Fiber, we will handle the listing planning of Sunwell Carbon Fiber.

2. In order to comply with the provisions of Article 19, paragraph 1, subparagraph 3 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, the total shares held by the Company and its subsidiaries and related parties shall not exceed 70% of the issued shares at the time of listing. In accordance with the law, the Company plans to diversify the shares of Sunwell Carbon Fiber. The Company may dispose of the shares of Sunwell Carbon Fiber, and first ask the qualified shareholders of the Company to subscribe. If the shareholders of the Company give up the subscription or the insufficient subscription, the Chairman shall be authorized to invite specific parties for subscription. The specific parties shall be the employees of the Company and related enterprises and the strategic investors or financial investors who are beneficial to the operation and development of the company.
3. In order to meet the requirements of Article 19, paragraph 1, subparagraph 3 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, the total shares held by the Company and its subsidiaries and related persons shall not exceed 70% of the number of shares issued at the time of listing. In accordance with the law, the Company needs to plan for the decentralization of the equity of Sunwell Carbon Fiber. The Company may give up subscribing for all or part of the shares of the cash capital increase of Sunwell Carbon Fiber. Sunwell Carbon Fiber shall have the priority to consult the qualified shareholders of the Company. If the shareholders of the Company give up the subscription or the subscription is insufficient, the Chairman of Sunwell Carbon Fiber shall be authorized to contact specific parties for subscription. The specific parties shall be the employees of the Company and related enterprises and the strategic investors or financial investors who are beneficial to the operation and development of the company.
4. For the required release of shares for the application of Sunwell Carbon Fiber to be listed on the emerging market or TWSE, the Company shall, in accordance with relevant laws and regulations and relevant regulations, allocate shares for subscription and placement for over allotment to securities companies. The number and price of the shares allocated shall be agreed with the underwriters in accordance with relevant laws and regulations, relevant listing regulations, market conditions at that time and the operation of the company.
5. After the above-mentioned stock release and / or abandonment of cash capital increase subscription, the direct or indirect comprehensive shareholding ratio of the Company shall not be less than 50% at the time of listing, so as to maintain control and give full play to the comprehensive effect of the group.
6. Once the above plan is submitted to the shareholders' meeting for resolution, the

shareholders' meeting shall authorize the board of directors to set a new subscription base date, the actual number of shares to be released, the actual price of shares to be released and other related matters, provided that the price of shares to be released shall not be lower than the net worth per share of the Company's latest financial statements audited, attested or reviewed by the CPAs before the resolution of the board of directors, and the independent expert shall be appointed to issue a reasonable price opinion.

7. The proposal is hereby submitted to the shareholders' meeting for discussion.

(Questions raised by the shareholder and the management's responses were omitted.)

**Voting Results:**

Shares represented at the time of voting : 60,350,868

Voting Results*	% of the total represented share present
Votes in favor : 58,997,740 votes (13,277,868 votes)	97.75%
Votes against : 24,963 votes (24,963 votes)	0.04%
Votes invalid : 0 vote	0.00%
Votes abstained : 1,328,165 votes (1,328,140 votes)	2.20%

\*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

**VI. Extraordinary Motions**

(Questions raised by the shareholder and the management's responses were omitted.)

**VII. Adjournment**

The meeting was adjourned at 10:28 am, which was approved by all shareholders present without objection.

## Attachment

### 2021 Business Report

Swancor Holdings is an investment holding company. Its main subsidiaries are Swancor advanced materials Co., Ltd. (hereinafter referred to as Swancor Advanced Materials) and Sunwell carbon fiber composite Corporation. (hereinafter referred to as Sunwell Carbon Fiber). Its main products are special chemicals and carbon fiber composite materials.

Swancor Holdings established the integrated industrial structure and independent development policies by focusing on combining precision chemicals, composite materials and energy to enhance its overall operating performance and market competitiveness.

#### I. Operating results in 2020:

The consolidated revenue of Swancor Holdings was NT\$9.868 billion, the net profit after tax (attributable to the parent company) was NT\$626 million, and the profit after tax per share (attributable to the parent company) was NT\$6.82.

#### II. Business plan and strategy for 2021:

Swancor Holdings is an investment holding company. The following is a description of the plans and strategies for the major subsidiaries of Swancor Advanced Materials and Sunwell Carbon Fiber in 2021.

1. The main products of Swancor Advanced Materials are anti-corrosion resin and energy conservation materials.

##### 1.1 Anti-corrosion resin:

**Taiwan Market:** Swancor has been keeping in line with emerging industries such as offshore wind power, and continue to look for opportunities to enter semiconductor chemicals, in order to maintain its market share and raise profits.

**China Market:** Actively seize business opportunities in various applications of environmental protection in accordance with China's environmental protection policies, look for access to semiconductors and upstream chemicals, focus on new products and new applications, and strengthen marketing in remote areas through distributors, in order to solidify its leading market position and achieve continuous sales growth.

**Global Market:** With our successful experience in Taiwan and China markets, we deepen the market penetration in cooperation with distributors, increasing our market share in major target regions including Southeast Asia, India and the Middle East, and establish production base in Europe to improve competitiveness, increase market share and enhance profitability.

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

## 1.2 Energy conservation materials:

- China Market: Promote innovative new products to change the market and improve market share and profitability. Keep in line with market development and policy trends; continue to strengthen strategic alliance with the machine factory in China; improve technical services and the Company's brand influence; and actively develop new customers on the back of continuous market expansion.
- Global Market: By virtue of Swancor's product quality, technical capabilities and achievements in Taiwan offshore wind power, the wind power laminar resins have been certified by the international wind turbine manufacturers and have already obtained orders. We will actively explore new customers and establish production bases in Europe to improve competitiveness, increase market share and enhance profits.

The medium and long-term goal of wind blade material business unit is to become the leader of wind turbine blade materials.

## 2. The main products of Sunwell Carbon Fiber are pultruded plate and prepreg

- Pultruded Plates: Mainly used in the girder of wind turbine laminar. By virtue of Swancor's product quality, technical capabilities and achievements in Taiwan offshore wind power, its pultruded plates have obtained orders after being certified by the international wind turbine manufacturer. We will actively explore new customers to ensure the source of upstream carbon fiber, in order to accelerate sustainable growth.
- Prepreg Cloth: Mainly used in the girder of wind turbine laminar of China machine factory. We will actively explore new customers and ensure the source of upstream carbon fiber, so as to maintain the leading market share and accelerate the sustainable growth in the future.

In the coming year, on the basis of the business developed in the past few years, the new material business will continue the two main strategies of solidifying the primary business and developing new business, keep the market share ahead and continue to improve profits; carbon fiber composite materials have obtained orders from international wind turbine manufacturers and China machine manufacturers, we will ensure the source of upstream carbon fiber and continue to improve the yield of products, so as to ensure the continuous growth of revenue and increase profits. In addition to continuing to build new businesses, Swancor Holdings will integrate companies with excellent teams and products, so as to produce synergy, improve competitiveness, and build a broader foundation for the Company's sustainable development and profitability.

Chairman: Jau-Yang Tsai

General Manager: Ming-Ren Zhan

Accounting supervisor: Shu-Hsien Kan



# Audit Committee's Audit Report

We have audited the Company's 2020 financial statements (including consolidated financial statements), business report and earnings distribution proposal submitted by the board of directors, of which the 2020 financial statements (including consolidated financial statements) have been audited by CPAs Cheng-Hsueh Chen and Tsi-Hsin Chang of KPMG, and the audit report was presented. The above financial statements (including consolidated financial statements), business report and earnings distribution statement for 2020 have been audited by the Audit Committee, and it is found that there is no discrepancy. Therefore, the report shall be prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

Sincerely,

Swancor Holding Co., Ltd. 2020 General Shareholders' Meeting

Swancor Holding Company Limited

Convener of the Audit Committee: Sheng-Chung Lin

March 10, 2021

## **Independent Auditors' Report**

To the Board of Directors of Swancor Holding Company Limited:

### **Opinion**

We have audited the financial statements of Swancor Holding Company Limited (the “Company”) which comprise the balance sheets of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No.1090360805 issued by the Financial Supervisory Commission, 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 parent Company only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Evaluation of investments accounted for using the equity method

- Please refer to Note 4(h) “Investment in associates” and Note 6(e) “Investments accounted for using the equity method” to the parent company only financial statements.
- Description of key audit matter:

- The Company holds 100% ownership interest of its subsidiary, Swancor Industrial Co., Ltd., and 86.42% of its subsidiary Swancor (Jiangsu) Carbon Composites Co., Ltd., which are accounted for using the equity method. The investments in its subsidiaries accounted for using the equity method constitute 64% of the total assets of the Company and the amount is material. As a result, the evaluation of investments accounted for using the equity method is our key audit matters.

How the matter was addressed in our audit:

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

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

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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 Tsu-Hsin, Chang.

KPMG

Taipei, Taiwan (Republic of China)  
March 10, 2021

#### Notes to Readers

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

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

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

Swancor Holding Company Limited

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 455,723	7	1,322,820	22	2130	Current contract liabilities	250	-	-	-
1110	Current financial assets at fair value through profit or loss(note 6(b))	2,012	-	-	-	2200	Other payables (note 6(l) and (p))	82,148	1	124,867	2
1200	Other receivables (note 6(d))	84,066	2	83,800	2	2230	Current tax liabilities	112,929	2	87,103	1
1210	Other receivables due from related parties (note 6(d) and 7)	263,475	4	610,482	10	2300	Other current liabilities	282	-	306	-
1410	Prepayments	4,881	-	212	-	2322	Long-term borrowings, current portion (note 6(m) and 8)	236,800	4	105,600	2
1470	Other current assets (note 8)	3,803	-	1,144	-	2355	Current lease liabilities (note 6(o))	2,380	-	1,531	-
		<u>813,960</u>	<u>13</u>	<u>2,018,458</u>	<u>34</u>			<u>434,789</u>	<u>7</u>	<u>319,407</u>	<u>5</u>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	536,642	9	26,102	1	2541	Long-term borrowings (note 6(m) and 8)	426,000	7	501,075	9
1517	Non-current financial assets at fair value through other comprehensive income(note 6(c))	117,544	2	-	-	2572	Deferred income tax liabilities (note 6(q))	100,322	1	23	-
1550	Investments accounted for using the equity method (note 6 (e))	4,022,150	64	3,873,484	65	2613	Non-current lease liabilities (note 6(o))	2,779	-	3,143	-
1600	Property, plant and equipment (note 6(i) 、7 and 8)	680,548	11	1,616	-	2600	Other non-current liabilities	583	-	-	-
1755	Right-of-use asset (note 6(j))	5,103	-	4,674	-			<u>529,684</u>	<u>8</u>	<u>504,241</u>	<u>9</u>
1780	Intangible assets(note 6(k))	6,053	-	-	-		<b>Total liabilities</b>	<u>964,473</u>	<u>15</u>	<u>823,648</u>	<u>14</u>
1840	Deferred income tax assets (note 6(q))	21,590	-	299	-	<b>Equity attributable to owners of parent (note 6(r)):</b>					
1980	Other non-current financial assets (note 8)	5,423	-	2,898	-	3100	Ordinary shares	935,046	15	935,046	16
1981	Cash surrender value of life insurance(note 6(h))	55,235	1	-	-	3200	Capital surplus	2,940,776	47	3,051,684	51
1990	Other non-current assets	2,877	-	421	-	3300	Retained earnings	1,912,006	31	1,653,996	28
		<u>5,453,165</u>	<u>87</u>	<u>3,909,494</u>	<u>66</u>	3400	Other equity	(418,835)	(7)	(422,477)	(7)
						3500	Treasury shares	(66,341)	(1)	(113,945)	(2)
							<b>Total equity</b>	<u>5,302,652</u>	<u>85</u>	<u>5,104,304</u>	<u>86</u>
<b>Total assets</b>		<u>\$ 6,267,125</u>	<u>100</u>	<u>5,927,952</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 6,267,125</u>	<u>100</u>	<u>5,927,952</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**Swancor Holding Company Limited**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (note 6(t))	\$ 559,978	100	526,373	100
5000	<b>Operating costs</b> (note 6(t))	-	-	-	-
	<b>Gross profit (loss) from operations</b>	559,978	100	526,373	100
	<b>Operating expenses</b> (note 6(k) 、(p) 、(u) and 7):				
6200	Administrative expenses	80,684	15	164,950	31
6300	Research and development expenses	6,291	1	-	-
		86,975	16	164,950	31
	<b>Net operating income</b>	473,003	84	361,423	69
	<b>Non-operating income and expenses</b> (note 6(r)):				
7100	Interest income (note 7)	9,923	2	447	-
7010	Other income (note 7)	229,264	41	41,378	8
7020	Other gains and losses (note 6(n))	(11,566)	(2)	7,907	2
7050	Finance costs (note 6(n) and 7)	(19,474)	(3)	(14,381)	(3)
		208,147	38	35,351	7
7900	<b>Profit before income tax</b>	681,150	122	396,774	76
7950	Income tax expenses (note 6(q))	55,126	10	21,089	4
	<b>Profit from continuing operations</b>	626,024	112	375,685	72
	<b>Profit from discontinued operations:</b>				
8101	Profit from discontinued operations, net of tax (note 12(b))	-	-	449,165	85
	<b>Profit</b>	626,024	112	824,850	157
	<b>Other comprehensive income</b> (note 6(v)):				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8330	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	-	-	4	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		-	-	4	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	2,913	-	(124,544)	(24)
8367	Unrealized gains from investments measured at fair value through other comprehensive income	729	-	-	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	39,467	8
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		3,642	-	(85,077)	(16)
8300	<b>Other comprehensive income for the year, net of tax</b>	3,642	-	(85,073)	(16)
8500	<b>Total comprehensive income for the year</b>	\$ 629,666	112	739,777	141

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**Swancor Holding Company Limited**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Earnings per share (NT Dollars) (note 6(s))</b>					
9750	<b>Basic earnings per share</b>				
	Basic earnings per share from continuing operations	\$	6.82		4.09
	Basic earnings per share from discontinued operations		-		4.88
		<b>\$</b>	<b>6.82</b>		<b>8.97</b>
9850	<b>Diluted earnings per share</b>				
	Diluted earnings per share from continuing operations	\$	6.81		4.05
	Diluted earnings per share from discontinued operations		-		4.85
		<b>\$</b>	<b>6.81</b>		<b>8.90</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
Swancor Holding Company Limited

**Statements of Changes in Equity**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other equity interest					Total equity
	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	Gains (losses) on hedging instruments	Total	Treasury shares	
<b>Balance at January 1, 2019</b>	<b>\$ 935,046</b>	<b>3,047,829</b>	<b>27,061</b>	<b>242,257</b>	<b>1,019,842</b>	<b>1,289,160</b>	<b>(293,442)</b>	<b>(4,491)</b>	<b>(39,467)</b>	<b>(337,400)</b>	<b>(113,945)</b>	<b>4,820,690</b>
Profit for the year	-	-	-	-	824,850	824,850	-	-	-	-	-	824,850
Other comprehensive income for the year	-	-	-	-	4	4	(124,544)	-	39,467	(85,077)	-	(85,073)
Total comprehensive income for the year	-	-	-	-	824,854	824,854	(124,544)	-	39,467	(85,077)	-	739,777
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	101,332	-	(101,332)	-	-	-	-	-	-	-
Special reserve	-	-	-	87,700	(87,700)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(460,018)	(460,018)	-	-	-	-	-	(460,018)
Changes in ownership interests in subsidiaries	-	3,855	-	-	-	-	-	-	-	-	-	3,855
<b>Balance at December 31, 2019</b>	<b>\$ 935,046</b>	<b>3,051,684</b>	<b>128,393</b>	<b>329,957</b>	<b>1,195,646</b>	<b>1,653,996</b>	<b>(417,986)</b>	<b>(4,491)</b>	<b>-</b>	<b>(422,477)</b>	<b>(113,945)</b>	<b>5,104,304</b>
<b>Balance at January 1, 2020</b>	<b>\$ 935,046</b>	<b>3,051,684</b>	<b>128,393</b>	<b>329,957</b>	<b>1,195,646</b>	<b>1,653,996</b>	<b>(417,986)</b>	<b>(4,491)</b>	<b>-</b>	<b>(422,477)</b>	<b>(113,945)</b>	<b>5,104,304</b>
Profit for the year	-	-	-	-	626,024	626,024	-	-	-	-	-	626,024
Other comprehensive income for the year	-	-	-	-	-	-	2,913	729	-	3,642	-	3,642
Total comprehensive income for the year	-	-	-	-	626,024	626,024	2,913	729	-	3,642	-	629,666
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	82,485	-	(82,485)	-	-	-	-	-	-	-
Special reserve	-	-	-	92,520	(92,520)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(368,014)	(368,014)	-	-	-	-	-	(368,014)
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	(66,341)	(66,341)
Share-based payments	-	42,548	-	-	-	-	-	-	-	-	113,945	156,493
Transactions	-	(153,456)	-	-	-	-	-	-	-	-	-	(153,456)
<b>Balance at December 31, 2020</b>	<b>\$ 935,046</b>	<b>2,940,776</b>	<b>210,878</b>	<b>422,477</b>	<b>1,278,651</b>	<b>1,912,006</b>	<b>(415,073)</b>	<b>(3,762)</b>	<b>-</b>	<b>(418,835)</b>	<b>(66,341)</b>	<b>5,302,652</b>

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**Swancor Holding Company Limited**  
**Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Profit from continuing operations before tax	\$ 681,150	396,774
Profit from discontinued department before tax	-	515,373
<b>Profit before tax</b>	<b>681,150</b>	<b>912,147</b>
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	15,899	682
Amortization expense	3,337	-
Interest expense	19,474	14,381
Interest income	(9,923)	(447)
Dividend income	(157)	-
Share-based payment transactions	12,157	-
Net gain on financial assets or liabilities at fair value through profit or loss	(198)	(172)
Share of gain of associates and joint ventures accounted for using the equity method	(559,978)	(559,692)
Gain on disposal of property, plant and equipment	(78)	-
Gain on disposal of intangible assets	(5,979)	-
Gain on disposal of investments	-	(495,752)
Loss on bond redemption	-	36
Decrease in cash surrender value of life insurance	2,016	-
<b>Total adjustments to reconcile profit</b>	<b>(523,430)</b>	<b>(1,040,964)</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in other receivable	7,371	(147)
Decrease in other receivable – related parties	414,799	56,265
(Increase) decrease in prepayments	(2,258)	21
Decrease in non-current prepaid pension cost	141	-
Decrease (increase) in operating assets	16,652	(1,064)
Increase in other financial assets	(1,783)	(1,974)
<b>Total changes in operating assets</b>	<b>434,922</b>	<b>53,101</b>
<b>Changes in operating liabilities:</b>		
(Decrease) increase in other payables	(54,726)	48,787
(Decrease) increase in other operating liabilities	(43)	43
<b>Total changes in operating liabilities</b>	<b>(54,769)</b>	<b>48,830</b>
<b>Total changes in operating assets and liabilities</b>	<b>(143,277)</b>	<b>(939,033)</b>
Cash inflow (outflow) generated from operations	537,873	(26,886)
Interest received	9,923	447
Interest paid	(19,618)	(14,249)
Dividends received	157	1,043,887
Income taxes paid	(25,287)	(90)
<b>Net cash flows from operating activities</b>	<b>503,048</b>	<b>1,003,109</b>
<b>Cash flows from (used in) investing activities:</b>		
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	(106,153)	-
Proceeds from disposal of current financial assets at fair value through profit or loss	2,181	-
Acquisition of investments accounted for using the equity method	(408,000)	(50,000)
Proceeds from disposal of investments accounted for using the equity method	296,240	634,068
Acquisition of property, plant and equipment	(249,387)	(1,712)
Proceeds from disposal of property, plant and equipment	5,602	-
Acquisition of intangible assets	(675)	-
Proceeds from disposal of intangible assets	4,948	-
Increase in refundable deposits	(980)	(421)
Net cash inflows from business combination	91,445	-
Increase in prepayments for business facilities	(198)	-
<b>Net cash from (used in) investing activities</b>	<b>(459,937)</b>	<b>581,935</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	-	(30,000)
Repayments of bonds payable	-	(2,837)
Proceeds from long-term borrowings	-	470,000
Repayments of long-term borrowings	(588,400)	(52,800)
Repayment of lease liabilities	(1,981)	(586)
Increase in guarantee deposits received	583	-
Decrease in other payables to related parties	-	(221,321)
Cash dividends paid	(368,014)	(460,018)
Payments to acquire treasury shares	(66,341)	-
Proceeds from sale of treasury shares	113,945	-
<b>Net cash (used in) from financing activities</b>	<b>(910,208)</b>	<b>(297,562)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(867,097)</b>	<b>1,287,482</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,322,820</b>	<b>35,338</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 455,723</b>	<b>1,322,820</b>

See accompanying notes to parent company only financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Swancor Holding Company Limited:

### **Opinion**

We have audited the consolidated financial statements of Swancor Holding Company Limited (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets of December 31, 2020 and 2019, 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, 2020 and 2019, 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 of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No.1090360805 issued by the Financial Supervisory Commission, 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(o) "Revenue" and Note 6(aa) "Revenue from contracts with customers" to the consolidated financial statements.

See accompanying notes to parent company only financial statements.

Description of 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 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.

See accompanying notes to parent company only financial statements.

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, 2020 and 2019, 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.

See accompanying notes to parent company only financial statements.

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 Tsu-Hsin, Chang.

KPMG

Taipei, Taiwan (Republic of China)  
March 10, 2021

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**Swancor Holding Company Limited and subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents(note 6(a))	\$ 1,598,800	13	2,121,142	22	2102	Short-term borrowings(note 6(p) and 8)	\$ 781,129	6	398,142	4
1110	Current financial assets at fair value through profit or loss(note 6(b) and (s))	2,012	-	819	-	2130	Current contract liabilities(note 6(aa))	8,586	-	16,535	-
1150	Notes receivables, net(note 6(d))	2,620,824	21	1,641,548	17	2151	Notes payable	444,273	4	178,717	2
1170	Accounts receivable, net(note 6(d))	3,395,525	28	1,862,428	20	2170	Accounts payable	3,220,031	26	1,603,549	17
1200	Other receivables(note 6 (e) and (h))	85,291	1	85,091	1	2200	Other payables(note 6(q) and (v))	406,970	4	399,797	4
1210	Other receivables from related parties(note 6(e) and 7)	5,617	-	609,425	6	2230	Current tax liabilities	133,908	1	175,272	2
1220	Current tax assets	2,845	-	10,385	-	2300	Other current liabilities(note 6(q) and (v))	10,183	-	1,498	-
130x	Inventories(note 6(f))	1,015,584	8	610,692	6	2322	Long-term borrowings, current portion(note 6(r) and 8)	236,800	2	217,600	2
1410	Prepayments	170,711	2	77,441	1	2355	Current lease liabilities(note 6(t))	<u>2,358</u>	-	<u>9,374</u>	-
1470	Other current assets(note 6(o))	91,983	1	118,482	1			<u>5,244,238</u>	<u>43</u>	<u>3,000,484</u>	<u>31</u>
1476	Other current financial assets(note 6(o) and 8)	<u>170,021</u>	<u>1</u>	<u>89,101</u>	<u>1</u>	<b>Non-Current liabilities:</b>					
		<u>9,159,213</u>	<u>75</u>	<u>7,226,554</u>	<u>75</u>	2541	Long-term borrowings(note 6(r) and 8)	447,655	3	1,032,400	10
<b>Non-current assets:</b>						2572	Deferred income tax liabilities(note 6(w))	101,713	1	48,973	1
1510	Non-current financial assets at fair value through profit or loss(note 6(b))	536,642	4	430,489	4	2613	Non-current lease liabilities(note 6(t))	5,307	-	29,807	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c) and 8)	117,544	1	25,031	-	2600	Other non-current liabilities(note 6(q) and (u))	<u>4,722</u>	-	<u>-</u>	-
1600	Property, plant and equipment(note 6(l), 7 and 8)	1,867,196	15	1,497,378	15			<u>559,397</u>	<u>4</u>	<u>1,111,180</u>	<u>11</u>
1780	Intangible assets(note 6(n))	11,123	-	13,685	-	<b>Total liabilities</b>		<u>5,803,635</u>	<u>47</u>	<u>4,111,664</u>	<u>42</u>
1755	Right-of-use asset(note 6(m) and 8)	230,620	2	267,458	3	<b>Equity attributable to owners of parent(note 6(x)):</b>					
1840	Deferred income tax assets(note 6(w))	67,070	1	112,457	1	3100	Ordinary shares	935,046	8	935,046	10
1975	Prepaid pension cost-non-current(note 6(v))	-	-	141	-	3200	Capital surplus	2,940,776	24	3,051,684	32
1981	Cash surrender value of life insurance(note 6(k))	55,235	1	57,251	1	3300	Retained earnings	1,912,006	16	1,653,996	17
1990	Other non-current assets(note 6(o) and 8)	<u>174,589</u>	<u>1</u>	<u>53,489</u>	<u>1</u>	3400	Other equity	(418,835)	(3)	(422,477)	(5)
		<u>3,060,019</u>	<u>25</u>	<u>2,457,379</u>	<u>25</u>	3500	Treasury shares	<u>(66,341)</u>	<u>(1)</u>	<u>(113,945)</u>	<u>(1)</u>
						<b>Total equity attributable to owners of parent:</b>		<u>5,302,652</u>	<u>44</u>	<u>5,104,304</u>	<u>53</u>
						36xx	Non-controlling interests(note 6(j))	<u>1,112,945</u>	<u>9</u>	<u>467,965</u>	<u>5</u>
						<b>Total equity</b>		<u>6,415,597</u>	<u>53</u>	<u>5,572,269</u>	<u>58</u>
<b>Total assets</b>		<u>\$ 12,219,232</u>	<u>100</u>	<u>9,683,933</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 12,219,232</u>	<u>100</u>	<u>9,683,933</u>	<u>100</u>

See accompanying notes to parent company only 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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2020		2019	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (note 6(aa))	\$ 9,867,900	100	6,153,144	100
5000	<b>Operating costs</b> (note 6(f) and (n))	8,124,571	82	5,010,959	81
	<b>Gross profit from operations</b>	1,743,329	18	1,142,185	19
	<b>Operating expenses</b> (note 6(n), (v) and (aa)):				
6100	Selling expenses	377,149	4	290,990	5
6200	Administrative expenses	381,868	4	441,463	7
6300	Research and development expenses	200,782	2	139,079	2
6450	Impairment (gain) loss determined in accordance with IFRS 9 (note 6(d))	(587)	-	1,121	-
		959,212	10	872,653	14
	<b>Net operating income</b>	784,117	8	269,532	5
	<b>Non-operating income and expenses</b> (note 6(ac)):				
7100	Interest income	8,043	-	5,376	-
7010	Other income(note 7)	207,480	2	(14,041)	-
7020	Other gains and losses(note 6(h) and (i))	16,076	-	404,449	6
7050	Finance costs, net(note 6(s))	(66,955)	-	(58,594)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method(note 6(h))	-	-	(4,668)	-
		164,644	2	332,522	5
7900	<b>Profit before income tax</b>	948,761	10	602,054	10
7950	Income tax expenses(note 6(w))	220,456	3	197,442	3
	<b>Profit from continuing operations</b>	728,305	7	404,612	7
8101	Profit from discontinued operations, net of tax (note 12(c))	-	-	449,165	7
	<b>Profit</b>	728,305	7	853,777	14
8300	<b>Other comprehensive income (note 6(w)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Remeasurements of defined benefit obligation	-	-	4	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		-	-	4	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	5,766	-	(141,383)	(3)
8367	Unrealized gains from investments measured at fair value through other comprehensive income	729	-	-	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	39,467	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		6,495	-	(101,916)	(2)
8300	<b>Other comprehensive income for the year, net of tax</b>	6,495	-	(101,912)	(2)
8500	<b>Total comprehensive income for the year</b>	<b>\$ 734,800</b>	<b>7</b>	<b>751,865</b>	<b>12</b>

See accompanying notes to parent company only 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, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
<b>Profit attributable to:</b>					
8610	Owners of parent	\$ 626,024	6	824,850	13
8620	Non-controlling interests(note 6(j))	102,281	1	28,927	1
		<b>\$ 728,305</b>	<b>7</b>	<b>853,777</b>	<b>14</b>
<b>Comprehensive income (loss) attributable to:</b>					
8710	Owners of parent	\$ 629,666	6	739,777	12
8720	Non-controlling interests(note 6(j))	105,134	1	12,088	-
		<b>\$ 734,800</b>	<b>7</b>	<b>751,865</b>	<b>12</b>
<b>Earnings per share(NT dollars)(note 6(y))</b>					
9750	<b>Basic earnings per share</b>				
	Basic earnings per share from continuing operations	\$	6.82		4.09
	Basic earnings per share from discontinued operations	-			4.88
		<b>\$</b>	<b>6.82</b>		<b>8.97</b>
9850	<b>Diluted earnings per share</b>				
	Diluted earnings per share from continuing operations	\$	6.81		4.05
	Diluted earnings per share from discontinued operations	-			4.85
		<b>\$</b>	<b>6.81</b>		<b>8.90</b>

See accompanying notes to parent company only 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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													Total equity		
	Retained earnings						Other equity interest						Treasury shares		Total equity attributable to owners of parent	Non-controlling interests
	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	Gains (losses) on hedging instruments	Total						
<b>Balance at January 1, 2019</b>	\$ 935,046	3,047,829	27,061	242,257	1,019,842	1,289,160	(293,442)	(4,491)	(39,467)	(337,400)	(113,945)	4,820,690	464,248	5,284,938		
Effects of retrospective application	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Balance on January 1, 2019 after adjustments</b>	<b>935,046</b>	<b>3,047,829</b>	<b>27,061</b>	<b>242,257</b>	<b>1,019,842</b>	<b>1,289,160</b>	<b>(293,442)</b>	<b>(4,491)</b>	<b>(39,467)</b>	<b>(337,400)</b>	<b>(113,945)</b>	<b>4,820,690</b>	<b>464,248</b>	<b>5,284,938</b>		
Profit for the year	-	-	-	-	824,850	824,850	-	-	-	-	-	824,850	28,927	853,777		
Other comprehensive income for the year	-	-	-	-	4	4	(124,544)	-	39,467	(85,077)	-	(85,073)	(16,839)	(101,912)		
Total comprehensive income for the year	-	-	-	-	824,854	824,854	(124,544)	-	39,467	(85,077)	-	739,777	12,088	751,865		
Appropriation and distribution of retained earnings:																
Legal reserve	-	-	101,332	-	(101,332)	-	-	-	-	-	-	-	-	-		
Special reserve	-	-	-	87,700	(87,700)	-	-	-	-	-	-	-	-	-		
Cash dividends of ordinary shares	-	-	-	-	(460,018)	(460,018)	-	-	-	-	-	(460,018)	-	(460,018)		
Share-based payment transactions	-	3,855	-	-	-	-	-	-	-	-	-	3,855	489	4,344		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(8,860)	(8,860)		
<b>Balance at December 31, 2019</b>	<b>\$ 935,046</b>	<b>3,051,684</b>	<b>128,393</b>	<b>329,957</b>	<b>1,195,646</b>	<b>1,653,996</b>	<b>(417,986)</b>	<b>(4,491)</b>	<b>-</b>	<b>(422,477)</b>	<b>(113,945)</b>	<b>5,104,304</b>	<b>467,965</b>	<b>5,572,269</b>		
<b>Balance at January 1, 2020</b>	<b>\$ 935,046</b>	<b>3,051,684</b>	<b>128,393</b>	<b>329,957</b>	<b>1,195,646</b>	<b>1,653,996</b>	<b>(417,986)</b>	<b>(4,491)</b>	<b>-</b>	<b>(422,477)</b>	<b>(113,945)</b>	<b>5,104,304</b>	<b>467,965</b>	<b>5,572,269</b>		
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 share	-	-	-	-	(368,014)	(368,014)	-	-	-	-	-	(368,014)	-	(368,014)		
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	(66,341)	(66,341)	-	(66,341)		
Share-based payment transactions	-	42,548	-	-	-	-	-	-	-	-	113,945	156,493	6,544	163,037		
Adjustment to capital surplus due to non-proportionate investment	-	(153,456)	-	-	-	-	-	-	-	-	-	(153,456)	153,456	-		
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	379,846	379,846		
<b>Balance at December 31, 2020</b>	<b>\$ 935,046</b>	<b>2,940,776</b>	<b>210,878</b>	<b>422,477</b>	<b>1,278,651</b>	<b>1,912,006</b>	<b>(415,073)</b>	<b>(3,762)</b>	<b>-</b>	<b>(418,835)</b>	<b>(66,341)</b>	<b>5,302,652</b>	<b>1,112,945</b>	<b>6,415,597</b>		

See accompanying notes to parent company only 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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) from continuing operations before tax</b>	\$ 948,761	602,054
<b>Profit from discontinued department before tax</b>	-	547,660
<b>Profit before tax</b>	<u>948,761</u>	<u>1,149,714</u>
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	157,790	145,508
Amortization expense	3,888	4,208
Expected credit (gain) loss Reversal of provision for bad debt expense	(587)	1,121
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(198)	3,342
Interest expense	66,955	61,122
Interest income	(8,043)	(7,313)
Dividend income	(157)	(54)
Share-based payment transactions	49,092	4,344
Share of loss of associates and joint ventures accounted for using equity method	-	54,408
Loss (gain) on disposal of property, plant and equipment	473	(1,677)
Gain on disposal of investment	(4,408)	(902,829)
Loss on bond redemption	-	36
(Decrease) increase in cash surrender value of life insurance	2,016	(201)
<b>Total adjustments to reconcile profit</b>	<u>266,821</u>	<u>(637,985)</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Increase in notes receivable	(978,091)	(217,459)
Increase in accounts receivable(including related parties)	(1,533,304)	(13,309)
(Increase) decrease in other receivables	(200)	20,748
Decrease in other receivable due from related parties	603,808	397,753
Increase in inventories	(404,892)	(150,576)
Increase in prepayments	(93,270)	(43,251)
Decrease (increase) in prepaid pension cost-non current	141	(4)
Decrease (increase) in operating assets	18,433	(3,787)
<b>Total changes in operating assets</b>	<u>(2,387,375)</u>	<u>(9,885)</u>
<b>Changes in operating liabilities:</b>		
(Increase) decrease in notes payable	265,556	(79,526)
Increase in accounts payable	1,616,482	460,133
(Decrease) increase in other payables	(53,179)	49,623
Increase in other operating liabilities	510	6,266
<b>Total changes in operating liabilities</b>	<u>1,829,369</u>	<u>436,496</u>
<b>Total changes in operating assets and liabilities</b>	<u>(291,185)</u>	<u>(211,374)</u>
Cash inflow generated from operations	657,576	938,340
Interest received	8,043	7,313
Interest paid	(65,160)	(60,182)
Income taxes paid	(156,153)	(332,051)
<b>Net cash flows (used in) from operating activities</b>	<u>444,306</u>	<u>553,420</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition current financial assets at fair value through profit or loss	(3,176)	(178,702)
Acquisition of non-current financial assets at fair value through other comprehensive income	(91,784)	(7,460)
Acquisition non-current financial assets at fair value through profit or loss	(106,153)	-
Proceeds from disposal of financial assets at fair value through profit or loss	6,589	1,042
Acquisition of investments accounted for using equity method	-	(411,066)
Proceeds from disposal of investments accounted for using equity method	-	634,600
Proceeds from disposal of subsidiaries	-	595,865
Acquisition of property, plant and equipment	(458,341)	(101,384)
Proceeds from disposal of property, plant and equipment	2,036	4,086
Increase in refundable deposits	(73)	(2,953)
Acquisition of intangible assets	(1,168)	(5,113)
Increase in prepayments for business facilities	(118,941)	(36,260)
(Increase) decrease in other financial assets	(79,626)	150,395
Dividends received	157	54
<b>Net cash from investing activities</b>	<u>(850,480)</u>	<u>643,104</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	920,943	167,324
Decrease in short-term borrowings	(537,956)	(191,264)
Repayments of bonds payable	-	(2,837)
Proceeds from long-term borrowings	44,370	470,000
Repayments of long-term borrowings	(607,600)	(165,300)
Repayments of lease liabilities	(4,944)	(4,887)
Increase in guarantee deposits received	583	-
Cash dividends paid	(368,014)	(460,018)
Payments to acquire treasury shares	(66,341)	-
Proceeds from sale of treasury shares	113,945	-
Change in non-controlling interests	379,846	(8,860)
<b>Net cash used in financing activities</b>	<u>(125,168)</u>	<u>(195,842)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>9,000</u>	<u>(104,276)</u>
<b>Net increase in cash and cash equivalents</b>	(522,342)	896,406
<b>Cash and cash equivalents at beginning of period</b>	2,121,142	1,224,736
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,598,800</u>	<u>2,121,142</u>

See accompanying notes to parent company only financial statements.

Comparison Table for Amendments to “Procedures for Election of Directors”

Original Version		Amended Version		Revision notes
No.	Summary	No.	Summary	
5.0 Process Notes 5.6	The board of directors shall prepare ballots for directors in a number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	5.0 Process Notes 5.6	<u>Person with the right to call</u> shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	Modified with revision 5.10.1.
5.0 Process Notes 5.8	Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots, each of which shall then respectively perform their relevant functions accordingly. The ballot box shall be prepared by the Company and opened to the public by the inspectors before the vote.	5.0 Process Notes 5.8	Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots, each of which shall then respectively perform their relevant functions accordingly. The ballot box shall be prepared by <u>the person with the right to call</u> and opened to the public by the inspectors before the vote.	Modified with revision 5.10.1.
5.0 Process Notes 5.9	<u>In the event that the candidate is a shareholder of the Company, the voters voting for such candidate shall fill in the candidate column on the ballot such candidate's account name and shareholder account number. In the event that the candidate is not a shareholder of the Company, the voters voting for such candidate shall fill in the candidate column on the ballot such candidate's name and ID number. In the event that the candidate is a government or a corporate shareholder, the voters voting for such candidate shall fill in the candidate column on the ballot with the name of such government or corporate shareholder, or the name of such government or corporate shareholder together with the name of such government's or corporate shareholder's representative; when there are multiple representatives, the names of all representatives shall be listed.</u>	-	Deleted.	According to Order Jin-Guan-Zheng-Jiao-Zi No. 108031145 1 issued by the FSC on April 25, 2019, the candidate nomination system should be adopted in the election of directors from 2021, that is, there is no need to identify the identity of candidates by shareholder account number or ID number, so it is deleted.
5.0 Process Notes 5.10	5.10 A ballot is deemed void if any of the following circumstances occurs: 5.10.1 A ballot was not prepared by the board of directors.	5.0 Process Notes 5.9	5.9 A ballot is deemed void if any of the following circumstances occurs:	1. In line with the amendment of Article

	<p>5.10.2 Any blank ballot.</p> <p>5.10.3 Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.</p> <p>5.10.4 Where the candidate voted for is a shareholder of the Company, such candidate's account name and shareholder account number filled in the ballot is inconsistent with that on the shareholder registry. Where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be incorrect.</p> <p>5.10.5 <u>Any ballot with characters other than the candidate's account name (name) or shareholder account number (ID number) and the allocated number of voting rights.</u></p> <p>5.10.6 <u>The candidate's name written on the ballot coincides with other shareholders, but no information such as shareholder ID or ID card number has been provided for identification.</u></p>		<p>5.9.1 A ballot was not prepared by <u>the members with the convening right.</u></p> <p>5.9.2 Any blank ballot.</p> <p>5.9.3 Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.</p> <p>5.9.4 the candidates filled in are inconsistent with <u>the list of candidates for directors.</u></p> <p>5.9.5 Other words or marks are entered in addition to the number of voting rights allocated.</p>	<p>10 of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" on June 3, 2020.</p> <p>2. Item adjustment due to deletion of 5.9.</p>
5.0 Process Notes 5.11~5.12	<p>5.11 Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors including number of votes shall be announced by the Chairman. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.</p> <p>5.12 The Procedures and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.</p>	5.0 Process Notes <u>5.10~5.11</u>	<p>5.10 Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors including number of votes shall be announced by the Chairman. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.</p> <p>5.11 The Procedures and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.</p>	Item adjustment due to deletion of 5.9.

Comparison Table for Amendments to “Rules of Procedure for Shareholders Meetings”

Original Version		Amended Version		Revision notes
No.	Summary	No.	Summary	
5.0 Process Notes 5.2	Paragraph 1, 2, 3 are omitted.  Article 172 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons for convening the meeting, and shall not be proposed as extempore motions.	5.0 Process Notes 5.2	Paragraph 1, 2, 3 are omitted. <u>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the meeting. None of the above matters may be raised by an extraordinary motion.</u>	List the items clearly.
5.0 Process Notes 5.8	The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet. The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.  (Omitted)	5.0 Process Notes 5.8	The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet. The chairperson shall call the meeting to order at the time scheduled for the meeting, <u>as well as announcing information such as the number of shares with no voting right and shares present.</u> In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.  (Omitted)	The amendment was made in line with the Article 9 of the revised "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on January 28, 2021.
5.0 Process Notes 5.9	The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, the meeting shall	5.0 Process Notes 5.9	The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the	The amendments were made in accordance

	<p>be carried out in accordance with the scheduled agenda.</p> <p>The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a <u>written</u> proposal for discussion at a regular shareholders meeting. Such proposals, <u>however</u>, are limited to one item, <u>only</u>, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>(Omitted)</p>		<p>meeting, the meeting shall be carried out in accordance with the scheduled agenda.</p> <p>The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. A shareholder holding 1 percent or more of the total number of issued shares may submit a proposal to the Company for discussion at a regular shareholders meeting. The proposal is limited to one item. Any proposal with more than one item shall not be included in the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p><u>Shareholders may submit suggestive proposals to urge this Company to promote the public interest or fulfill its social responsibilities. It shall be limited to one proposal in terms of the procedure in accordance with the Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.</u></p> <p>(Omitted)</p>	<p>with Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" on June 3, 2020.</p>
5.0 Process Notes 5.13	<p>The election of directors at the shareholders' meeting, if any, shall be handled according to the relevant regulations on election formulated by the Company, and the voting results shall be announced on the spot, including the list of elected directors and the numbers of votes they obtained.</p> <p>The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.</p>	5.0 Process Notes 5.13	<p>The election of Directors at the shareholder meeting, if any, shall be handled according to the relevant regulations on election made by the Company, and the voting results shall be announced on the spot including the list of elected Directors and the numbers of votes, <u>as well as the list of unelected Directors and the respective number of votes received.</u></p> <p>The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.</p>	<p>The amendments were made in accordance with Article 14 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings on January 28, 2021.</p>

Comparison Table for Amendments to "Procedures for the Acquisition or Disposal of Assets"

Original Version		Amended Version		Revision notes
No.	Summary	No.	Summary	
5.0 Process Notes 5.1.	<p>5.1 Below are the procedures and limits relevant to the acquisition and disposal of the Company's assets.</p> <p>5.1.1 Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities and asset-based securities, etc., with an amount of less than NT\$50 million per day or per transaction or cumulative amount, shall be approved by the top supervisor of the authorized financial unit; the amount between NT\$50 million and NT\$100 million (inclusive) shall be executed after the approval of the chairman.</p> <p>5.1.2 Real property and its right-of-use assets: the amount of each transaction of less than or equal to NT\$50 million shall be approved by the chairman before implementation, and then submitted to the board of directors for ratification.</p> <p>5.1.3 Other fixed assets, membership cards and intangible assets: the amount of each transaction of less than or equal to NT\$500,000 shall be executed after being approved by the supervisor of each unit; the amount of each transaction of between NT\$500,000 and NT\$10 million (inclusive) shall be executed after being approved by the chairman; the amount of each transaction of between NT\$10 million and NT\$50 million (inclusive) shall be authorized to the chairman for approval and <u>then</u> submitted to the board of directors for ratification.</p> <p>5.1.4 Derivative products: shall be processed in accordance with the Company's "Procedures for Engaging in Derivatives Trading".</p>	5.0 Process Notes 5.1.	<p>5.1 Below are the procedures and limits relevant to the acquisition and disposal of the Company's assets.</p> <p>5.1.1 Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities and asset-based securities, etc., with an amount of less than NT\$50 million per day or per transaction or cumulative amount, shall be approved by the top supervisor of the authorized financial unit; the amount between NT\$50 million and NT\$100 million (inclusive) shall be authorized to the chairman for approval <u>and submitted to the latest board of directors for ratification.</u></p> <p>5.1.2 Real property and its right-of-use assets: the amount of each transaction of less than or equal to NT\$50 million shall be authorized to the chairman for approval and submitted to <u>the latest</u> board of directors for ratification.</p> <p>5.1.3 Other fixed assets, membership cards and intangible assets: the amount of each transaction of less than or equal to NT\$500,000 shall be executed after being approved by the supervisor of each unit; the amount of each transaction between NT\$500,000 and NT\$10 million (inclusive) shall be executed after being approved by the chairman; the amount of each transaction between NT\$10 million and NT\$50 million (inclusive) shall be authorized to the chairman for approval, and submitted to <u>the latest</u> board of directors for ratification.</p> <p>5.1.4 Derivative products: shall be processed in accordance with the Company's "Procedures for Engaging in Derivatives Trading".</p>	To specify the point of time for reporting to the Board of Directors for retrospective ratification.