

Swancor Holding Company Limited

2022 Annual Shareholders' Meeting Minutes

Time and Date : 9:00 a.m. May 31, 2022

Place : No.21, Nangang 3rd Rd., Nantou City, Nantou County, Taiwan

Convening Method: Physical Shareholders' Meeting

Attendance: Total shares represented by shareholders present in person or by proxy:61,224,437 shares (including 15,727,843 shares casted electronically), percentage of shares held by shareholders present in person or by proxy:65.98% (excluding 713,000 non-voting shares in accordance with Article 179, Paragraph 2 of the Company Act), exceeded the statutory meeting shares ; Four directors attended this regular shareholders meeting, including Chairman Jau-Yang Tsai, independent director Sheng-Chung Lin, 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) 2021 Business Report (Please refer to Attachment)
- (2) 2021 Audit Committee's Audit Report (Please refer to Attachment)
- (3) 2021 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) Status on the Issuance of 2021 3rd Domestic Secured Convertible Bond and 4th Domestic Non-secured Convertible Bond (Please refer to the shareholders meeting manual)

IV. Proposals

Case 1 (Proposed by the Board of Directors)

Cause: 2021 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 2021 were approved by the resolution of the Board of Directors on March 11, 2022, and audited by CPA Cheng-Hsueh Chen and CPA Shih-Hua, Kuo 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 2021 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.

Voting Results:

Shares represented at the time of voting : 61,224,437

Voting Results*	% of the total represented share present
Votes in favor : 53,898,087 votes (8,403,493 votes)	88.03%
Votes against : 2,817 votes (2,817 votes)	0.00%
Votes invalid : 0 vote	0.00%
Votes abstained : 7,323,533 votes (7,321,533 votes)	11.96%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the 2021 Business Report and Financial Statement be and hereby were accepted as submitted.

Case 2 (Proposed by the Board of Directors)

Cause: Earning Distribution in 2021.

Note: 1.The Company's 2021 earning distribution table is as follows:

Earning distribution table
of Swancor Holding Co., Ltd.
2021

Unit: NT\$

Item	Total
Distributable earnings	
(1) Beginning balance of retained earnings	895,926,751
(2) Net Income for the current period	185,933,467
Total	1,081,860,218
Distribution items	
(1) Legal reserve	18,593,347
(2) Reversal of special reserve	(27,468,775)
(3) Shareholders' dividend - cash (NT\$1.5 per share)	139,187,406
(4) Undistributed surplus at the end of the period	951,548,240
Total	1,081,860,218

Chairman of the board: Jau-Yang Tsai General Manager: Jau-Yang Tsai Accounting supervisor: Chia-Min Hung

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 2021 earnings shall be distributed first.

5. The proposal is hereby submitted to the shareholders' meeting for ratification.

Voting Results:

Shares represented at the time of voting : 61,224,437

Voting Results*	% of the total represented share present
Votes in favor : 53,911,086 votes (8,416,492 votes)	88.05%
Votes against : 23,414 votes (23,414 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 7,289,937 votes (7,287,937 votes)	11.90%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the Earning Distribution in 2021 be and hereby were accepted as submitted.

V. Discussions

Case 1 (Proposed by the Board of Directors)

Cause: Amendments to partial content of the Articles of Incorporation

Notes: 1. In line with the existing operating procedures of the Company, partial content of the Company's "Articles of Incorporation" were amended.

2. Please refer to attachment for a comparison table of the provisions before and after the amendment of the Company's "Articles of Incorporation".

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

Voting Results:

Shares represented at the time of voting : 61,224,437

Voting Results*	% of the total represented share present
Votes in favor : 53,924,649 votes (8,430,055 votes)	88.07%
Votes against : 7,347 votes (7,347 votes)	0.01%
Votes invalid : 0 vote	0.00%
Votes abstained : 7,292,441 votes (7,290,441 votes)	11.91%

*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: Amendments to partial content of the Procedures for the Acquisition or Disposal of Assets.

Notes: 1. In line with the amendment to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the existing operating procedures of the Company, partial content of the Company's "Procedures for Acquisition and Disposal of Assets" were amended.

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 : 61,224,437

Voting Results*	% of the total represented share present
Votes in favor : 53,922,652 votes (8,428,058 votes)	88.07%
Votes against : 8,345 votes (8,345 votes)	0.01%
Votes invalid : 0 vote	0.00%
Votes abstained : 7,293,440 votes (7,291,440 votes)	11.91%

*including votes casted electronically (numbers in brackets)

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

VI. Election

Case 1 (Proposed by the Board of Directors)

Cause: Election of Directors

Notes: 1. The term of office of the current directors of the Company expires on May 30, 2022.

We hereby intended to hold the election of directors in conjunction with the General Shareholders' Meeting.

2. In accordance with Article 18 of the Company's Articles of Incorporation, five to nine directors shall be elected for a term of three years and shall be eligible for re-election.

We hereby proposed 8 directors (including 4 independent directors) as the candidates adopted a candidate nomination system for the election of directors.

3. The term of office of the newly elected directors is from the May 31, 2022 to May 30, 2025, and the term of office of the current directors will expire upon completion of this General Shareholders' Meeting.

4. This election is conducted in accordance with "Procedures for election of directors".

5. A slate of director (including independent director) candidates is as follows:

Candidates for the Election of Directors

NO.	Name	Shares	Education	Relevant Experience	Current Job
1	Representative of Tsai's Holding Co., Ltd. Jau-Yang Tsai	10,683,625	<ul style="list-style-type: none"> ● Department of Business Administration, National Cheng Chi University ● Master's degree, Department of Chemical Engineering, National Tsing Hua University 	<ul style="list-style-type: none"> ● Chairman of Swancor Holding Co., Ltd., Swancor Innovation & Incubation Co., Ltd., Swancor Advanced Materials Co., Ltd., Swancor (Tianjin) Wind Blade Materials Co., Ltd., Swancor (Jiangsu) New Materials Co.,Ltd., Sunwell (Jiangsu) Carbon Fiber Composite Co., Ltd., Sunwell Carbon Fiber 	<ul style="list-style-type: none"> ● Chairman of Swancor Holding Co., Ltd., Swancor Innovation & Incubation Co., Ltd., Swancor Advanced Materials Co., Ltd., Swancor (Tianjin) Wind Blade Materials Co., Ltd., Swancor (Jiangsu) New Materials Co.,Ltd., Sunwell (Jiangsu) Carbon Fiber Composite Co., Ltd., Sunwell Carbon Fiber Composite Corporation,

				<p>Composite Corporation, Swancor Highpolymer Co., Ltd., Formosa 1 International Investment Co., Ltd., and Formosa 1 Wind Power Co., Ltd.</p> <ul style="list-style-type: none"> ● General Manager of Swancor Holding Co., Ltd., and Sunwell Carbon Fiber Composite Corporation. 	<p>Swancor Highpolymer Co., Ltd., Formosa 1 International Investment Co., Ltd., and Formosa 1 Wind Power Co., Ltd.</p> <ul style="list-style-type: none"> ● General Manager of Swancor Holding Co., Ltd., and Sunwell Carbon Fiber Composite Corporation
2	<p>Representative of Tsai's Holding Co., Ltd. Hsiao-Yi Tsai</p>	10,683,625	<p>Department of Accounting Information, Da Yeh University</p>	<ul style="list-style-type: none"> ● Procurement Specialist of Swancor Highpolymer Co., Ltd. ● Deputy Section Manager of Swancor Carbon Fiber Composite Corporation 	<ul style="list-style-type: none"> ● Director of Sunwell Carbon Fiber Composite Corporation ● Special Assistant to the Chairman of Swancor Holding Co., Ltd. ● Director of COTECH INC.
3	<p>Kuei-Tuan Chen</p>	410,527	<ul style="list-style-type: none"> ● Master of Public Finance, Department of Public Finance, National Cheng Chi University ● PhD, Department of Economic Law, China University of Political Science and Law, Beijing 	<ul style="list-style-type: none"> ● Professor and Director of the Department of Accounting, and Director of Center for Corporate Governance, Feng Chia University ● Senior legislative assistant of the Legal Counsel Center, Legislative Yuan ● Arbitration Association, Taipei and Guangzhou Arbitration Commission ● Executive Director of Taiwan Certified Public Accountant Association 	<ul style="list-style-type: none"> ● Professor of the Department of Accounting, Feng Chia University ● CPA, EnWise CPAs & Co.
4	<p>Pan-Chiang Yang</p>	97,311	<p>College of Law, National Taiwan University</p>	<ul style="list-style-type: none"> ● Attorneys-at-law of Root Law Office ● Junior partner lawyer of Formosa Transnational Attorneys at Law ● Arbitrator of Chinese Arbitration Association, Taipei ● Supervisor of Taichung Bar Association ● Volunteer attorney and Chairperson of Consumers' Foundation Chinese Taipei, Taichung Branch ● Member of the Petitions 	<p>Lawyer at Pan-Chiang Yang Law Office</p>

				<p>and Appeals Committee and Consumer Dispute Mediation Commission of Taichung City Government</p> <ul style="list-style-type: none"> ● Taichung City Government Public Nuisance Dispute Mediation Committee Member ● Legal Aid Lawyer, Member of Screening Committee, Member of Rehearing Committee, Legal Aid Foundation 	
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Candidates for the Election of Independent Directors

NO.	Name	Shares held	Education	Relevant Experience	Current Job
1	Hsiu-Chun Wang	0	<ul style="list-style-type: none"> ● PhD, Department of Engineering-Economic Systems, Stanford University ● Bachelor of Department of Electrical Engineering, National Tsing Hua University 	<ul style="list-style-type: none"> ● Managing Partner, GRC GRC Managers Limited ● General Manager of WK Innovation Ltd. ● Principal Analyst for Global Semiconductor, ABN AMRO Bank 	Managing Partner, GRC Managers Limited
2	Chung-Ming Liu	0	<ul style="list-style-type: none"> ● MBA of Stanford University ● Master & PhD of Chemistry, Columbia University ● Bachelor of Department of Chemistry, National Tsing Hua University 	<ul style="list-style-type: none"> ● President and Vice President of ITRI ● Materials and Chemical Engineering Director of ITRI ● Chairman of the Materials Research Society, Taiwan ● Chairman of the Chinese Chemical Society ● Chairman of The Polymer Society, Taipei ● Chairman of Industrial Technology Investment Corporation 	Distinguished expert of ITRI
3	Sheng-Chung Lin	0	<ul style="list-style-type: none"> ● PhD in Institute of Natural Resource Management, National Taipei University ● Master of Economics, National Taiwan University 	<ul style="list-style-type: none"> ● Chairman of CPC ● Chief Delegate and Administrative Deputy Minister of the Ministry of Economic Affairs ● CEO of Taiwan WTO and RTA Center, Chung-Hua Institution for Economic 	<ul style="list-style-type: none"> ● Honorary Professor, Department of International Business, Chung Yuan Christian University ● Consultant of

				<p>Research</p> <ul style="list-style-type: none"> • Executive Secretary of the Committee of Research and Development, Ministry of Economic Affairs • Heads of Delegation of Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the WTO • Director General, Public Works Department Taipei City Government 	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)
4	Jui-Hua Li	0	Master of Stanford Graduate School of Business	<ul style="list-style-type: none"> • Deputy General Manager and Head of Human Resources of TSMC • Vice President of Asia Pacific at Lucent Technologies Inc. • General Manager for Greater China at Polaroid Corporation • General Manager of General Electric (China) Co. Ltd. • Managing Director for Southeast Asia at DuPont 	<ul style="list-style-type: none"> • Professor of the College of Commerce, National Cheng Chi University • Professor of EMBA, Tsinghua University, Beijing • Distinguished Professor, School of Management, Shanghai Fu-Dan University

6. The proposal is hereby submitted to the shareholders' meeting for election.

Election Results:

The list of directors elected is as follows:

NO.	Name	Numbers of votes
1	Representative of Tsai's Holding Co., Ltd. Jau-Yang Tsai	63,674,658
2	Representative of Tsai's Holding Co., Ltd. Hsiao-Yi Tsai	49,098,473
3	Kuei-Tuan Chen	47,595,409
4	Pan-Chiang Yang	47,589,631

The list of Independent directors elected is as follows

NO.	Name	Numbers of votes
1	Jui-Hua Li	47,146,630
2	Sheng-Chung Lin	47,138,567
3	Hsiu-Chun Wang	47,137,036
4	Chung-Ming Liu	47,134,796

VII. Other Proposals

Case 1 (Proposed by the Board of Directors)

Cause: Release the prohibition on newly elected directors of the company and their representatives from undertaking activities competitive

- Notes: 1. This matter is handled in accordance with Article 209, Paragraph 1 of the Company Act, which states that “a Director who does anything for himself or on behalf of another person that is within the scope of the Corporation's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval”.
2. Considering that the Company’s newly elected directors may invest in or operate other companies within the same or similar business scope as the Company and serve as a director, we hereby submitted the proposal to the 2022 General Shareholders’ Meeting for the approval to release the prohibition on newly elected directors from undertaking activities competitive with the Company in accordance with the provisions in Article 209 of the Company Act.
3. The newly elected directors intended to request the release of prohibition from undertaking the following activities competitive with the Company:

Title	Name	Concurrently hold positions in other companies
Director	Representative of Tsai's Holding Co., Ltd. Jau-Yang Tsai	Chairman, Tsai's Holding Co., Ltd. Chairman, Formosa 1 International Investment Co., Ltd.
Director	Representative of Tsai's Holding Co., Ltd. Hsiao-Yi Tsai	Supervisor, Tsai's Holding Co., Ltd.
Independent Director	Hsiu-Chun Wang	Managing Partner, GRC Managers Limited

Voting Results:

Shares represented at the time of voting (The number of shares that have excluded interest avoidance) : 51,746,404

Voting Results*	% of the total represented share present
Votes in favor : 44,348,677 votes (8,332,116 votes)	85.7%
Votes against : 18,710 votes (18,710 votes)	0.03%
Votes invalid : 0 vote	0.00%
Votes abstained : 7,379,017 votes (7,377,017 votes)	14.25%

*including votes casted electronically (numbers in brackets)

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

VIII. Extraordinary Motions

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

IX. Adjournment

The meeting was adjourned at 9:33 am, which was approved by all shareholders present without objection.

(Attachment)

2022 Business Report

Swancor Holding Company Limited (hereinafter referred to as "Swancor Holdings") is an investment holding company. Its main subsidiaries are Swancor Advanced Materials Co., Ltd. (hereinafter referred to as "Swancor Advanced Materials"), Sunwell Carbon Fiber Composite Corporation (hereinafter referred to as "Swancor Carbon Composites"), and Swancor Innovation & Incubation Co., Ltd. (hereinafter referred to as "Swancor Innovation & Incubation"). Its main businesses include the research and development of precision chemicals, carbon composite materials, and innovative materials as well as new business incubation.

Swancor Holdings established the integrated industrial structure and independent development strategies by focusing on combining precision chemicals and composite materials with green energy and carbon-neutral industries to enhance its overall operating performance and market competitiveness.

I. Operating results in 2021:

The consolidated turnover of Swancor Holding was NT\$10.710 billion, net profit after tax (attributable to the parent company) was NT\$186 million, and earnings per share (attributable to the parent company) was NT\$2.01.

II. Business plan and strategy for 2022:

Swancor Holding is an investment holding company, and its 2022 plan and strategy for the main subsidiaries, Swancor Advanced Materials, Sunwell Carbon Fiber, and Swancor Innovation & Incubation are described as follows.

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

1.1 Anti-corrosion resin:

China: Actively seize business opportunities in various applications of environmental protection in accordance with China's environmental protection policies, collaborate with investment partner, Anhui Meijia New Materials, to expand outreach to composite materials customers, focus on new products and new applications, reinforce geographical expansion strategy, and strengthen marketing in remote areas through distributors, in order to solidify its leading market position and achieve continuous sales growth.

Global: With our successful experience in Taiwan and China markets, we will deepen the market penetration in cooperation with distributors, increase our market share in major target regions including Southeast Asia, India and the Middle East, reinforce the use of SWANCOR HYVER in vessel applications, and establish production capacity cooperation with strategic partners in European and American regions 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 Eco-friendly green energy materials::

China: Promote the innovative SWANCOR HYVER to increase market share and profitability, consolidate supply chain and distribution channels through the establishment of wind turbine blade OEM pilot plants, and promote the Recyclable Thermoset Epoxy Resin at the same time. Keep in line with market development and policy trends; continue to strengthen the strategic alliance with the machine factory in China; improve technical services and Swancor's brand influence; and actively develop new customers on the back of continuous market expansion.

Global: By virtue of Swancor's product quality, technical capabilities and achievements in Taiwan offshore wind power, its wind power laminar resins have obtained orders after being certified by the international wind turbine manufacturers. Swancor will actively explore new customers, promote the Recyclable Thermoset Epoxy Resin and SWANCOR HYVER, and establish production capacity cooperation with strategic partners in Europe to increase competitiveness, while securing its foothold in Taiwan's offshore wind power and relevant emerging industries and continuing to seize new business opportunities in order to maintain market leadership and increase profitability.

The medium and long-term goal of green energy 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 sheets:

Pultruded plates: The products have been certified by leading international wind turbine manufacturers and major customers in China and have received orders from them. The products are mainly used for wind turbine blade spars. Swancor will continue to refine its product quality, improve its yield of products and technological capabilities, and actively explore and obtain accreditation from new customers to ensure the stable supply of upstream carbon and glass fibers and accelerate sustainable growth.

Prepreg sheets: Swancor will actively explore new customers and new applications beyond the wind power industry to increase capacity utilization and accelerate sustainable growth.

Besides continuing development of the two major products, Swancor will further integrate the resources of COTECH INC. to expand its business from materials to carbon fibre molding components, harnessing the synergy to tap into a new customer base of carbon fiber composites' applications in the aerospace and new energy vehicle sectors.

3. Swancor Innovation & Incubation mainly focuses on forward-looking research and development of innovative materials and the incubation of new businesses:

Swancor will continue to deepen industry-academia cooperation and devote to research and development on carbon neutrality. Swancor will focus on forward-looking research and development of carbon capture, utilization and storage; identify suitable sites and collaborative partners for carbon capture testing; utilize the test equipment to perform carbon capture in practice; and consolidate existing resources to explore carbon utilization and storage channels. Swancor will also invest resources in the development of carbon fiber recycling applications, including recycling technologies and the market for applications, to achieve the goal of a circular economy.

In the coming year, Swancor's advanced materials business strategy will be mainly focused on "maintaining the core business and developing new businesses" on the basis of past business developments, with a particular emphasize on SWANCOR HYVER's mass production and demand growth and the promotion of the Recyclable Thermoset Epoxy Resin, in order to solidify its leading market position and achieve continuous profit growth. Swancor's carbon composite materials have obtained orders from the international wind turbine manufacturers and Chinese machine factories. Swancor will ensure the stable supply of upstream carbon and glass fibers and continuously improve the yield of products, so that the revenue will continue to grow and profits will be improved. At the same time, Swancor will integrate COTECH INC.'s resources to tap into a new customer base of carbon fiber composites' applications in the aerospace and new energy vehicle sectors. Meanwhile, Swancor Innovation & Incubation will focus on the research and development of carbon capture, utilization and storage and carbon fiber recycling applications along with early investments in businesses related to carbon neutrality.

In addition to developing new businesses, Swancor Holdings plans to merge companies with excellent teams and products, in the hope to generate synergy and strengthen competitiveness to accomplish its mission of "Devoted to carbon neutrality and new materials innovation" and lay a broader foundation for corporate sustainability and profitability.

Chairman: Jau-Yang Tsai

General Manager: Jau-Yang Tsai

Accounting supervisor: Chia-Min Hung

Audit Committee's Audit Report

We have audited the Company's 2021 financial statements (including consolidated financial statements), business report and earnings distribution proposal submitted by the board of directors, of which the 2021 financial statements (including consolidated financial statements) have been audited by CPAs Cheng-Hsueh Chen and Shih-Hua, Kuo of KPMG, and the audit report was presented. The above financial statements (including consolidated financial statements), business report and earnings distribution statement for 2021 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. 2022 General Shareholders' Meeting

Swancor Holding Company Limited

Convener of the Audit Committee: Sheng-Chung Lin

March 11, 2022

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, 2021 and 2020, 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, 2021 and 2020, 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 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the 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(g) “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 investments in its subsidiaries accounted for using the equity method constitute 50% 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.

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 Shih-Hua, Kuo.

KPMG

Taipei, Taiwan (Republic of China)

March 11, 2022

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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,566,792	19	455,723	7	2100	Short-term borrowings (note 6(m))	\$ 500,000	6	-	-
1110	Current financial assets at fair value through profit or loss (note 6(b) and (p))	3,505	-	2,012	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (p))	4,700	-	-	-
1200	Other receivables (note 6(d) and 7)	513	-	84,066	2	2130	Current contract liabilities	-	-	250	-
1210	Other receivables due from related parties (note 6(d) and 7)	231,178	3	263,475	4	2200	Other payables (note 6(n) and (r))	43,126	1	82,148	1
1410	Prepayments	13,461	-	4,881	-	2230	Current tax liabilities	77,235	1	112,929	2
1470	Other current assets (note 6(l) and 8)	2,510	-	3,803	-	2300	Other current liabilities (note 6(n))	37,707	-	282	-
		<u>1,817,959</u>	<u>22</u>	<u>813,960</u>	<u>13</u>	2322	Long-term borrowings, current portion (note 6(o) and 8)	-	-	236,800	4
Non-current assets:						2355	Current lease liabilities (note 6(q))	2,528	-	2,380	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	664,094	8	536,642	9			<u>665,296</u>	<u>8</u>	<u>434,789</u>	<u>7</u>
1517	Non-current financial assets at fair value through other comprehensive income(note 6(c) and 8)	115,927	1	117,544	2	Non-Current liabilities:					
1550	Investments accounted for using the equity method (note 6 (e))	4,063,931	50	4,022,150	64	2530	Bonds payable (note 6(p) and 8)	1,900,906	23	-	-
1600	Property, plant and equipment (note 6(i) 、 7 and 8)	1,067,285	13	680,548	11	2540	Long-term borrowings (note 6(o) and 8)	213,515	3	426,000	7
1755	Right-of-use asset (note 6(j))	2,821	-	5,103	-	2570	Deferred income tax liabilities (note 6(s))	-	-	100,322	1
1780	Intangible assets(note 6(k))	3,772	-	6,053	-	2613	Non-current lease liabilities (note 6(q))	351	-	2,779	-
1840	Deferred income tax assets (note 6(s))	17,997	-	21,590	-	2600	Other non-current liabilities (note 6(n))	583	-	583	-
1980	Other non-current financial assets (note 6(l) and 8)	400,029	5	5,423	-			<u>2,115,355</u>	<u>26</u>	<u>529,684</u>	<u>8</u>
1981	Cash surrender value of life insurance(note 6(h))	56,340	1	55,235	1		Total liabilities	<u>2,780,651</u>	<u>34</u>	<u>964,473</u>	<u>15</u>
1990	Other non-current assets (note 6(l))	2,587	-	2,877	-	3100	Ordinary shares	935,046	12	935,046	15
		<u>6,394,783</u>	<u>78</u>	<u>5,453,165</u>	<u>87</u>	3200	Capital surplus (note 6(p))	3,161,540	38	2,940,776	47
						3300	Retained earnings	1,774,173	22	1,912,006	31
						3400	Other equity	(391,367)	(5)	(418,835)	(7)
						3500	Treasury shares	(47,301)	(1)	(66,341)	(1)
							Total equity	<u>5,432,091</u>	<u>66</u>	<u>5,302,652</u>	<u>85</u>
Total assets		<u>\$ 8,212,742</u>	<u>100</u>	<u>6,267,125</u>	<u>100</u>		Total liabilities and equity	<u>\$ 8,212,742</u>	<u>100</u>	<u>6,267,125</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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenues (note 6(b) 、(c) and (v))	\$ 134,898	100	559,978	100
5000	Operating costs (note 6(v))	-	-	-	-
	Gross profit (loss) from operations	134,898	100	559,978	100
	Operating expenses (note 6(k) 、(r) 、(w) and 7):				
6200	Administrative expenses	68,938	51	80,684	15
6300	Research and development expenses	6,972	5	6,291	1
		75,910	56	86,975	16
	Net operating income	58,988	44	473,003	84
	Non-operating income and expenses (note 6(x)):				
7100	Interest income (note 7)	8,425	6	9,923	2
7010	Other income and expenses (note 7)	25,897	19	229,264	41
7020	Other gains and losses (note 6(p))	4,750	4	(11,566)	(2)
7050	Finance costs (note 6(p) and (q))	(13,123)	(10)	(19,474)	(3)
		25,949	19	208,147	38
7900	Profit before income tax	84,937	63	681,150	122
7950	Income tax (income) expenses (note 6(s))	(100,996)	(76)	55,126	10
	Profit	185,933	139	626,024	112
	Other comprehensive income (note 6(t)):				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	28,071	20	2,913	-
8367	Unrealized gains from investments measured at fair value through other comprehensive income	(603)	-	729	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		27,468	20	3,642	-
8300	Other comprehensive income for the year, net of tax	27,468	20	3,642	-
8500	Total comprehensive income for the year	\$ 213,401	159	629,666	112
	Earnings per share (NT Dollars) (note 6(u))				
9750	Basic earnings per share	\$ 2.01		6.82	
9850	Diluted earnings per share	\$ 1.93		6.81	

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, 2021 and 2020

(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	Total	Treasury shares	
Balance at January 1, 2020	\$ 935,046	3,051,684	128,393	329,957	1,195,646	1,653,996	(417,986)	(4,491)	(422,477)	(113,945)	5,104,304
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 shares	-	-	-	-	(368,014)	(368,014)	-	-	-	-	(368,014)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(66,341)	(66,341)
Share-based payment transactions	-	42,548	-	-	-	-	-	-	-	113,945	156,493
Changes in ownership interests in subsidiaries	-	(153,456)	-	-	-	-	-	-	-	-	(153,456)
Balance at December 31, 2020	\$ 935,046	2,940,776	210,878	422,477	1,278,651	1,912,006	(415,073)	(3,762)	(418,835)	(66,341)	5,302,652
Balance at January 1, 2021	\$ 935,046	2,940,776	210,878	422,477	1,278,651	1,912,006	(415,073)	(3,762)	(418,835)	(66,341)	5,302,652
Profit for the year	-	-	-	-	185,933	185,933	-	-	-	-	185,933
Other comprehensive income for the year	-	-	-	-	-	-	28,071	(603)	27,468	-	27,468
Total comprehensive income for the year	-	-	-	-	185,933	185,933	28,071	(603)	27,468	-	213,401
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	62,603	-	(62,603)	-	-	-	-	-	-
Special reserve	-	-	-	(3,642)	3,642	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(323,766)	(323,766)	-	-	-	-	(323,766)
Treasury shares transfer to employees	-	6,843	-	-	-	-	-	-	-	19,040	25,883
Due to recognition of equity component of convertible bonds issued	-	213,351	-	-	-	-	-	-	-	-	213,351
Adjustment to capital surplus due to non-proportional investment	-	570	-	-	-	-	-	-	-	-	570
Balance at December 31, 2021	\$ 935,046	3,161,540	273,481	418,835	1,081,857	1,774,173	(387,002)	(4,365)	(391,367)	(47,301)	5,432,091

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 84,937	681,150
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,238	15,899
Amortization expense	2,195	3,337
Interest expense	13,123	19,474
Interest income	(8,425)	(9,923)
Dividend income	(56,280)	(157)
Share-based payment transactions	2,544	12,157
Net gain on financial assets or liabilities at fair value through profit or loss	(893)	(198)
Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method	(78,618)	(559,978)
Gain on disposal of property, plant and equipment	(1,053)	(78)
Gain on disposal of intangible assets	(7,151)	(5,979)
Decrease in cash surrender value of life insurance	(1,105)	2,016
Total adjustments to reconcile profit	<u>(122,425)</u>	<u>(523,430)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in other receivable	83,553	7,371
Decrease in other receivable — related parties	32,297	414,799
Increase in prepayments	(8,580)	(2,258)
Decrease in non-current prepaid pension cost	-	141
(Increase) decrease in operating assets	(1,378)	16,652
Increase in other financial assets	(391,935)	(1,783)
Total changes in operating assets	<u>(286,043)</u>	<u>434,922</u>
Changes in operating liabilities:		
Decrease in other payables	(34,690)	(54,726)
Increase (decrease) in other operating liabilities	37,175	(43)
Total changes in operating liabilities	<u>2,485</u>	<u>(54,769)</u>
Total changes in operating assets and liabilities	<u>(405,983)</u>	<u>(143,277)</u>
Cash (outflow) inflow generated from operations	(321,046)	537,873
Interest received	9,439	9,923
Interest paid	(12,406)	(19,618)
Dividends received	143,040	157
Income taxes paid	(31,427)	(25,287)
Net cash flows from operating activities	<u>(212,400)</u>	<u>503,048</u>
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	-	(3,176)
Acquisition of non-current financial assets at fair value through other comprehensive income	-	(91,784)
Acquisition of non-current financial assets at fair value through profit or loss	(127,452)	(106,153)
Proceeds from disposal of current financial assets at fair value through profit or loss	-	2,181
Acquisition of investments accounted for using the equity method	(10,000)	(408,000)
Proceeds from disposal of investments accounted for using the equity method	-	296,240
Acquisition of property, plant and equipment	(397,664)	(249,387)
Proceeds from disposal of property, plant and equipment	384	5,602
Acquisition of intangible assets	(522)	(675)
Proceeds from disposal of intangible assets	1,612	4,948
Decrease (increase) in refundable deposits	117	(980)
Net cash inflows from business combination	-	91,445
Decrease (increase) in prepayments for business facilities	174	(198)
Net cash from (used in) investing activities	<u>(533,351)</u>	<u>(459,937)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	703,766	-
Decrease in short-term borrowings	(203,766)	-
Issuance to corporate bond	2,113,308	-
Proceeds from long-term borrowings	614,515	-
Repayments of long-term borrowings	(1,063,800)	(588,400)
Repayment of lease liabilities	(2,477)	(1,981)
Increase in guarantee deposits received	-	583
Cash dividends paid	(323,766)	(368,014)
Payments to acquire treasury shares	-	(66,341)
Proceeds from sale of treasury shares	19,040	113,945
Net cash (used in) from financing activities	<u>1,856,820</u>	<u>(910,208)</u>
Net increase (decrease) in cash and cash equivalents	1,111,069	(867,097)
Cash and cash equivalents at beginning of period	455,723	1,322,820
Cash and cash equivalents at end of period	<u>\$ 1,566,792</u>	<u>455,723</u>

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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue Recognition

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

Description of 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.

How the matter was addressed in our audit:

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

Other Matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 11, 2022

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 Consolidated Financial Statements and Report Originally Issued in Chinese)
Swancor Holding Company Limited and subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents(note 6(a))	\$ 2,530,959	17	1,598,800	13	2100	Short-term borrowings(note 6(o) and 8)	\$ 2,292,267	16	781,129	6
1110	Current financial assets at fair value through profit or loss(note 6(b) and (r))	3,505	-	2,012	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b) and (r))	4,700	-	-	-
1150	Notes receivables, net(note 6(d))	2,134,787	15	2,620,824	21	2130	Current contract liabilities(note 6(z))	14,144	-	8,586	-
1170	Accounts receivable, net(note 6(d))	2,901,468	20	3,395,525	28	2150	Notes payable	553,265	4	444,273	4
1200	Other receivables(note 6 (e) and (h))	1,012	-	85,291	1	2170	Accounts payable	2,239,595	15	3,220,031	26
1210	Other receivables from related parties(note 6(e) and 7)	-	-	5,617	-	2180	Accounts payable to related parties(note 7)	29,523	-	-	-
1220	Current tax assets	7,309	-	2,845	-	2200	Other payables(note 6(p) and (u))	412,763	3	406,970	4
130x	Inventories(note 6(f))	1,236,469	8	1,015,584	8	2230	Current tax liabilities	98,582	1	133,908	1
1410	Prepayments	38,315	-	170,711	2	2300	Other current liabilities(note 6(p) and (t))	62,445	-	10,183	-
1470	Other current assets(note 6(n))	109,363	1	91,983	1	2322	Long-term borrowings, current portion(note 6(q) and 8)	20,187	-	236,800	2
1476	Other current financial assets(note 6(n) and 8)	167,915	1	170,021	1	2355	Current lease liabilities(note 6(s))	8,009	-	2,358	-
		<u>9,131,102</u>	<u>62</u>	<u>9,159,213</u>	<u>75</u>			<u>5,735,480</u>	<u>39</u>	<u>5,244,238</u>	<u>43</u>
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss(note 6(b))	664,094	5	536,642	4	2530	Bonds payable(note 6(r) and 8)	1,900,906	13	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c) and 8)	115,927	1	117,544	1	2540	Long-term borrowings(note 6(q) and 8)	343,727	3	447,655	3
1550	Investments accounted for using equity method(note 6(g))	925,446	6	-	-	2570	Deferred income tax liabilities(note 6(v))	839	-	101,713	1
1600	Property, plant and equipment(note 6(k), 7 and 8)	2,809,810	19	1,867,196	15	2600	Other non-current liabilities(note 6(p) and (t))	31,466	-	4,722	-
1755	Right-of-use assets(note 6(l) and 8)	230,228	2	230,620	2	2613	Non-current lease liabilities(note 6(s))	3,564	-	5,307	-
1780	Intangible assets(note 6(m))	11,308	-	11,123	-			<u>2,280,502</u>	<u>16</u>	<u>559,397</u>	<u>4</u>
1840	Deferred income tax assets(note 6(v))	87,974	1	67,070	1		Total liabilities	<u>8,015,982</u>	<u>55</u>	<u>5,803,635</u>	<u>47</u>
1981	Cash surrender value of life insurance(note 6(j))	56,340	-	55,235	1	Equity attributable to owners of parent(note 6(w)):					
1990	Other non-current assets(note 6(n) and 8)	544,079	4	174,589	1	3100	Ordinary shares	935,046	6	935,046	8
		<u>5,445,206</u>	<u>38</u>	<u>3,060,019</u>	<u>25</u>	3200	Capital surplus(note 6(r))	3,161,540	22	2,940,776	24
						3300	Retained earnings	1,774,173	12	1,912,006	16
						3400	Other equity	(391,367)	(3)	(418,835)	(3)
						3500	Treasury shares	(47,301)	-	(66,341)	(1)
							Total equity attributable to owners of parent:	<u>5,432,091</u>	<u>37</u>	<u>5,302,652</u>	<u>44</u>
						36xx	Non-controlling interests(note 6(i))	1,128,235	8	1,112,945	9
							Total equity	<u>6,560,326</u>	<u>45</u>	<u>6,415,597</u>	<u>53</u>
							Total liabilities and equity	<u>\$ 14,576,308</u>	<u>100</u>	<u>12,219,232</u>	<u>100</u>
	Total assets	<u>\$ 14,576,308</u>	<u>100</u>	<u>12,219,232</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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

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

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to 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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

Repayments of long-term borrowings	(1,073,919)	(607,600)
Repayments of lease liabilities	(6,769)	(4,944)
Increase in guarantee deposits received	-	583
Increase in deferred income	23,965	-
Cash dividends paid	(323,766)	(368,014)
Payments to acquire treasury shares	-	(66,341)
Proceeds from sale of treasury shares	19,040	113,945
Change in non-controlling interests	(28,543)	379,846
Net cash flows (used in) financing activities	<u>2,991,169</u>	<u>(125,168)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>35,209</u>	<u>9,000</u>
Net increase (decrease) in cash and cash equivalents	932,159	(522,342)
Cash and cash equivalents at beginning of period	<u>1,598,800</u>	<u>2,121,142</u>
Cash and cash equivalents at end of period	<u>\$ 2,530,959</u>	<u>1,598,800</u>

See accompanying notes to parent company only financial statements.

Comparison Table for Amendments to “Articles of Incorporation”

Original Version		Amended Version		Revision notes
No.	Summary	No.	Summary	
Article 8	<p>The share certificates hereof shall be name-bearing certificates, duly signed by or affixed with seals by a minimum of three Directors, and duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance.</p> <p>The Company may issue shares without certificates, and such shares shall be registered with a central securities depository.</p>	Article 8	<p>The share certificates hereof shall be name-bearing certificates, duly signed by or affixed with seals by <u>the directors representing the Company</u>, and duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance.</p> <p>The Company may issue shares without certificates, and such shares shall be registered with a central securities depository.</p>	Amended in accordance with Article 162 of the Company Act.
Article 12	<p>Shareholders' meeting can be classified into general or provisional meeting. The general meeting is held at least once per year, commenced within six months after the end of a fiscal year, and convened by the Board of Directors according to Article 172 of the Company Act, and the provisional meeting is held whenever necessary in accordance with the relevant laws and regulations. The notice may be given by electronic means with the consent of the other party.</p>	Article 12	<p>Shareholders' meeting can be classified into general or provisional meeting. The general meeting is held at least once per year, commenced within six months after the end of a fiscal year, and convened by the Board of Directors according to Article 172 of the Company Act, and the provisional meeting is held whenever necessary in accordance with the relevant laws and regulations. The notice may be given by electronic means with the consent of the other party.</p> <p><u>The shareholders' meeting may be held in the form of a physical shareholders' meeting with the assistance of video conferencing (hybrid meeting), virtual-only shareholders' meeting, or other means announced by the central competent authority upon the resolution of the Board of Directors, and the criteria, operating procedures and other matters to be complied with by the Company shall be in accordance with the regulations of the competent securities authorities.</u></p>	Amended in response to future meeting convening method.
Article 30	<p>If the Company has profit in the year, it shall allocate not less than 1% as the employees' remuneration and 3% as the directors' remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.</p> <p>The remuneration to be paid to employees in stock or cash referred to in the preceding paragraph may include employees of subordinate companies who meet certain conditions. The conditions and methods shall be decided by the Board of Directors and reported to the shareholders' meeting.</p>	Article 30	<p>If the Company has profit in the year, it shall allocate not less than <u>0.01%</u> as the employees' remuneration and 3% as the directors' remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.</p> <p>The remuneration to be paid to employees in stock or cash referred to in the preceding paragraph may include employees of subordinate companies who meet certain conditions. The conditions and methods shall be decided by the Board of Directors and reported to the shareholders' meeting.</p>	Amended in line with the operating status of the Company.

Article 30-1	<p>If there is any surplus in the Company's annual accounts, the Company shall first pay tax and offset past losses, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside or reversed depending on the Company's operating needs and legal regulations. If there is any unappropriated earnings at the beginning of the period, the Board of Directors shall prepare a proposal for distribution of earnings to the shareholders' meeting for resolution.</p> <p><u>In terms of the Company's dividend policy, in order to comply with business development, the total amount of distributable earnings is 30-100% after considering the Company's capital expenditure and working capital.</u></p> <p>Shareholders' bonus may be distributed in the form of cash or shares, of which cash dividend shall not be less than 10% of the shareholders' bonus.</p>	Article 30-1	<p>If there is any surplus in the Company's annual accounts, the Company shall first pay tax and offset past losses, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside or reversed depending on the Company's operating needs and legal regulations. If there is any unappropriated earnings at the beginning of the period, the Board of Directors shall prepare a proposal for distribution of earnings to the shareholders' meeting for resolution.</p> <p><u>The Company is currently in a growth stage. The Company's policy on the distribution of dividends to shareholders is subject to the Company's current and future investment environment, capital requirements, domestic and international competition and capital budget, taking into account the interests of shareholders and the Company's long-term financial planning. The shareholders' bonus shall be appropriated from accumulated distributable earnings, of which no less than 30% shall be distributed from the current year's distributable earnings.</u></p> <p>Shareholders' bonus may be distributed in the form of cash or shares, of which cash dividend shall not be less than 10% of the shareholders' bonus.</p>	Amended in line with the operating status of the Company.
Article 33	<p>The Articles of Incorporation are established on May 31, 2016.</p> <p>The first amendment was made on October 19, 2016.</p> <p>The second amendment was made on May 30, 2018.</p> <p>The third amendment was made on May 31, 2019.</p>	Article 33	<p>The Articles of Incorporation are established on May 31, 2016.</p> <p>The first amendment was made on October 19, 2016.</p> <p>The second amendment was made on May 30, 2018.</p> <p>The third amendment was made on May 31, 2019.</p> <p><u>The fourth amendment was made on May 31, 2022.</u></p>	Amended to include the latest amendment date and number of amendments.

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 5.4 Standards for announcement and declaration 5.4.1.7	5.4.1.7 Assets trading, disposition of creditor's rights by financial institutions or investment in China, other than those mentioned in the preceding six subparagraphs, with the transaction amount reaching 20% of the Company's paid in capital or NT\$300 million or more. Provided, this shall not apply to the following circumstances: 5.4.1.7.1 Trading of domestic government bonds. 5.4.1.7.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 5.4.1.7.3 Trading of bonds under repurchase/resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.	5.0 Process Notes 5.4 Standards for announcement and declaration 5.4.1.7	5.4.1.7 Assets trading, disposition of creditor's rights by financial institutions or investment in China, other than those mentioned in the preceding six subparagraphs, with the transaction amount reaching 20% of the Company's paid in capital or NT\$300 million or more. Provided, this shall not apply to the following circumstances: 5.4.1.7.1 Trading of domestic government bonds <u>or foreign government bonds with credit ratings not lower than the sovereign rating of our country.</u> 5.4.1.7.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, subscription or buy back exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 5.4.1.7.3 Trading of bonds under repurchase/resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.	In line with the amendment to Article 31 of the amended “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter referred to as “Disposition Regulations”) dated January 28, 2022.
5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company	5.7.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be <u>engaged to perform the appraisal in accordance with the</u>	5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company	5.7.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be render a specific opinion regarding the reason for the	In line with the amendment to Article 9 of the “Disposition Regulations”

<p>are as follows: 5.7.1.3</p>	<p><u>provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (abbreviated as ARDF hereafter) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</u></p> <p>5.7.1.3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>5.7.1.3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>are as follows: 5.7.1.3</p>	<p>discrepancy and the appropriateness of the transaction price:</p> <p>5.7.1.3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>5.7.1.3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	
<p>5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company are as follows: 5.7.3~5.7.4</p>	<p>5.7.3 When acquiring or disposing of securities, the Company shall take the latest financial statements of the underlying company, which have been audited or reviewed by the CPA, as the reference for evaluating the transaction price before the date of occurrence. In addition, if the transaction amount reaches 20% of the company's paid in capital or NT\$300 million or more, the Company shall consult the CPA before the date of occurrence to express an opinion on the reasonableness of the transaction price. <u>If the CPA needs to adopt an expert report, the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission. The calculation of the transaction amount shall be handled in accordance with the provisions of 5.4.2.</p> <p>5.7.4 If the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates, and the transaction amount reaches 20% of the Company's paid in capital or NT\$300 million or more, it shall, in addition to dealing with domestic government agencies, consult a CPA to express an opinion on the reasonableness of the transaction price before the date of occurrence, <u>and the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> The calculation of the transaction amount shall be handled in accordance with the provisions of 5.4.2.</p>	<p>5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company are as follows: 5.7.3~5.7.4</p>	<p>5.7.3 When acquiring or disposing of securities, the Company shall take the latest financial statements of the underlying company, which have been audited or reviewed by the CPA, as the reference for evaluating the transaction price before the date of occurrence. In addition, if the transaction amount reaches 20% of the company's paid in capital or NT\$300 million or more, the Company shall consult the CPA before the date of occurrence to express an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission. The calculation of the transaction amount shall be handled in accordance with the provisions of 5.4.2.</p> <p>5.7.4 If the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates, and the transaction amount reaches 20% of the Company's paid in capital or NT\$300 million or more, it shall, in addition to dealing with domestic government agencies, consult a CPA to express an opinion on the reasonableness of the transaction price before the date of occurrence. The calculation of the transaction amount shall be handled in accordance with the provisions of 5.4.2.</p>	<p>In line with the amendment to Article 10 & 11 of the “Disposition Regulations”</p>

<p>5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company are as follows: 5.7.6.4</p>	<p>5.7.6.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>5.7.6.4.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>5.7.6.4.2 When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>5.7.6.4.3 They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>5.7.6.4.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>5.0 Process Notes 5.7 The evaluation procedures for the acquisition or disposal of assets of the Company are as follows: 5.7.6.4</p>	<p>5.7.6.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply <u>with the self-regulatory rules for each of its peer associations</u> and the following:</p> <p>5.7.6.4.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>5.7.6.4.2 When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>5.7.6.4.3 They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>5.7.6.4.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>adequate and reasonable</u>, and that they have complied with applicable laws and regulations.</p>	<p>In line with the amendment to Article 5 of the “Disposition Regulations”</p>
<p>5.0 Process Notes 5.8 The operating procedures for the acquisition or disposal of assets by the Company and its related parties are as follows: 5.8.4</p>	<p>The calculation of the transaction amount in 5.8.3 shall be conducted in accordance with 5.4.2, and the said one-year period is based on the date of the occurrence of the transaction, which is calculated retroactively one year ahead. Those that have been submitted to the Audit Committee and the Board of Directors for approval in accordance with the provisions of these guidelines are not included.</p>	<p>5.0 Process Notes 5.8 The operating procedures for the acquisition or disposal of assets by the Company and its related parties are as follows: 5.8.4</p>	<p>The calculation of the transaction amount in 5.8.3 <u>and 5.8.5</u> shall be conducted in accordance with 5.4.2, and the said one-year period is based on the date of the occurrence of the transaction, which is calculated retroactively one year ahead. Those that have been submitted to <u>shareholders' meeting</u>, the Audit Committee and the Board of Directors for approval in accordance with the provisions of these guidelines are not included.</p>	<p>In line with the amendment to Article 15 of the “Disposition Regulations”</p>
<p>5.0 Process Notes 5.8 The</p>	<p>5.8.6 When reporting to the board of directors for discussion in accordance with 5.8.3, the Company shall take full</p>	<p>5.0 Process Notes 5.8 The</p>	<p>5.8.6 When reporting to the board of directors for discussion in accordance with 5.8.3, the Company shall take</p>	<p>In line with the amendment</p>

<p>operating procedures for the acquisition or disposal of assets by the Company and its related parties are as follows: 5.8.6</p>	<p>account of the opinions of the independent directors. If the independent directors have any objections or reservations, they shall state them in the meeting minutes of the board meeting.</p> <p>Before the Company submits it for the resolution by the Board of Directors in accordance with 5.8.3, it shall first obtain the consent of more than half of all members of the Audit Committee and submit it for the resolution of the board of directors, which applies the provisions of 5.11.3 and 5.11.4 mutatis mutandis.</p>	<p>operating procedures for the acquisition or disposal of assets by the Company and its related parties are as follows: 5.8.6</p>	<p>full account of the opinions of the independent directors. If the independent directors have any objections or reservations, they shall state them in the meeting minutes of the board meeting.</p> <p><u>5.8.6.1</u> Before the Company submits it for the resolution by the Board of Directors in accordance with 5.8.3, it shall first obtain the consent of more than half of all members of the Audit Committee and submit it for the resolution of the board of directors, which applies the provisions of 5.11.3 and 5.11.4 mutatis mutandis.</p> <p><u>5.8.6.2</u> If the transaction under 5.8.3 between the Company or a Company's subsidiary amounts to more than 10% of the public company's total assets, the Company shall submit the information listed in the 5.8.3 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply to transactions between the Company and its subsidiaries, or between its subsidiaries.</p>	<p>to Article 15 of the “Disposition Regulations”</p>
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