

**Taiwan Union Technology Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Union Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Union Technology Corporation and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Po-Jen Weng and Szu-Lan Chu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,934,443	22	\$ 6,280,003	24	\$ 4,676,725	23
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	-	-	-	-	17,375	-
Financial assets at amortized cost - current (Note 9)	896,496	3	757,491	3	888,203	5
Notes receivable (Note 10)	904,956	3	769,094	3	844,211	4
Trade receivables (Note 10)	8,954,264	33	8,691,167	34	6,217,448	31
Other receivables	116,293	1	325,748	1	73,090	-
Current tax assets	74,462	-	74,446	-	29,551	-
Inventories (Note 11)	3,948,107	15	3,189,127	12	2,364,802	12
Prepayments	6,060	-	43,587	-	4,175	-
Other current assets - other	171,540	1	133,505	1	82,808	1
Total current assets	21,006,621	78	20,264,168	78	15,198,388	76
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 29)	3,200	-	-	-	1,784	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 29)	-	-	-	-	8,171	-
Property, plant and equipment (Note 13)	4,300,993	16	4,338,681	17	4,471,441	22
Right-of-use assets (Note 14)	92,982	1	92,374	1	93,406	1
Other intangible assets (Note 15)	9,027	-	10,006	-	10,715	-
Deferred tax assets (Note 24)	41,021	-	40,876	-	32,952	-
Prepayments for equipment	1,430,599	5	1,057,453	4	183,613	1
Refundable deposits (Note 31)	18,995	-	17,817	-	14,571	-
Other non-current assets	51,989	-	56,508	-	54,924	-
Total non-current assets	5,948,806	22	5,613,715	22	4,871,577	24
TOTAL	\$ 26,955,427	100	\$ 25,877,883	100	\$ 20,069,965	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 150,000	1	\$ 543,360	2	\$ 150,000	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 29)	54,578	-	29,493	-	12,114	-
Notes payable	-	-	99	-	69	-
Trade payables	6,155,790	23	5,498,789	21	3,751,020	19
Other payables (Note 18)	2,899,955	11	1,142,951	5	1,875,792	9
Current tax liabilities (Note 24)	252,524	1	156,067	1	351,524	2
Provisions - current (Note 19)	31,225	-	53,068	-	28,389	-
Current portion of long-term borrowings (Note 16)	418,715	1	418,715	2	418,715	2
Other current liabilities (Note 18)	45,998	-	29,962	-	25,471	-
Total current liabilities	10,008,785	37	7,872,504	31	6,613,094	33
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 29)	12,000	-	5,800	-	-	-
Bonds payable (Note 17)	1,929,836	7	1,925,555	8	464,412	2
Long-term borrowings (Note 16)	1,419,059	5	1,523,738	6	1,537,774	8
Deferred tax liabilities (Note 24)	100,405	1	102,173	-	99,608	1
Net defined benefit liabilities - non-current (Note 20)	35,474	-	65,484	-	71,624	-
Guarantee deposits received	34,255	-	45,601	-	13,787	-
Total non-current liabilities	3,531,029	13	3,668,351	14	2,187,205	11
Total liabilities	13,539,814	50	11,540,855	45	8,800,299	44
EQUITY (Note 21)						
Share capital						
Ordinary shares	2,762,221	10	2,759,739	10	2,716,802	14
Capital collected in advance	703	-	203	-	22,067	-
Total share capital	2,762,924	10	2,759,942	10	2,738,869	14
Capital surplus	2,963,446	11	2,930,218	11	2,255,658	11
Retained earnings						
Legal reserve	1,672,555	6	1,672,555	7	1,590,103	8
Special reserve	307,257	1	307,257	1	120,731	-
Unappropriated earnings	5,362,007	20	6,487,060	25	4,597,526	23
Total retained earnings	7,341,819	27	8,466,872	33	6,308,360	31
Other equity	347,424	2	179,996	1	(33,221)	-
Total equity	13,415,613	50	14,337,028	55	11,269,666	56
TOTAL	\$ 26,955,427	100	\$ 25,877,883	100	\$ 20,069,965	100

The accompanying notes are an integral part of the consolidated financial statements.

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Note 22)	\$ 6,372,144	100	\$ 4,433,335	100
OPERATING COSTS (Note 11)	<u>4,839,122</u>	<u>76</u>	<u>3,421,420</u>	<u>78</u>
GROSS PROFIT	<u>1,533,022</u>	<u>24</u>	<u>1,011,915</u>	<u>22</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	276,645	5	224,707	5
General and administrative expenses	192,543	3	140,095	3
Research and development expenses	128,172	2	82,624	2
Expected credit loss (gain)	<u>244</u>	<u>-</u>	<u>(35)</u>	<u>-</u>
Total operating expenses	<u>597,604</u>	<u>10</u>	<u>447,391</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>935,418</u>	<u>14</u>	<u>564,524</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	32,943	-	30,261	1
Other gains and losses	(17,560)	-	10,424	-
Finance costs	<u>(15,978)</u>	<u>-</u>	<u>(7,409)</u>	<u>-</u>
Total non-operating income and expenses	<u>(595)</u>	<u>-</u>	<u>33,276</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	934,823	14	597,800	13
INCOME TAX EXPENSE (Note 24)	<u>(262,876)</u>	<u>(4)</u>	<u>(145,961)</u>	<u>(3)</u>
NET PROFIT FOR THE PERIOD	<u>671,947</u>	<u>10</u>	<u>451,839</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>167,428</u>	<u>3</u>	<u>270,969</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 839,375</u>	<u>13</u>	<u>\$ 722,808</u>	<u>16</u>

(Continued)

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 671,947	11	\$ 451,839	10
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 671,947</u>	<u>11</u>	<u>\$ 451,839</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 839,375	13	\$ 722,808	16
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 839,375</u>	<u>13</u>	<u>\$ 722,808</u>	<u>16</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 2.43</u>		<u>\$ 1.66</u>	
Diluted	<u>\$ 2.33</u>		<u>\$ 1.63</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Others		Total Equity
	Share Capital			Capital Surplus	Retained Earning			Exchange Difference on Translation of the Financial Statements of Foreign Operations	Unrealized Gains on Financial Assets at Fair Value through Other Comprehensive Income	
	Shares (In Thousands)	Ordinary Shares	Capital Collected in Advance		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2024	271,176	\$ 2,711,755	\$ 3,317	\$ 2,222,119	\$ 1,590,103	\$ 120,731	\$ 5,235,687	\$ (307,257)	\$ 3,067	\$ 11,579,522
Appropriation of the 2023 earnings										
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,090,000)	-	-	(1,090,000)
Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	451,839	-	-	451,839
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	270,969	-	270,969
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	451,839	270,969	-	722,808
Recognized on issuance of employee share options (Note 26)	-	-	-	1,331	-	-	-	-	-	1,331
Convertible bonds converted to ordinary shares	-	-	8	91	-	-	-	-	-	99
Issuance of ordinary shares under employee share options	504	5,047	18,742	32,117	-	-	-	-	-	55,906
BALANCE AT MARCH 31, 2024	271,680	\$ 2,716,802	\$ 22,067	\$ 2,255,658	\$ 1,590,103	\$ 120,731	\$ 4,597,526	\$ (36,288)	\$ 3,067	\$ 11,269,666
BALANCE AT JANUARY 1, 2025	275,974	\$ 2,759,739	\$ 203	\$ 2,930,218	\$ 1,672,555	\$ 307,257	\$ 6,487,060	\$ 179,996	\$ -	\$ 14,337,028
Appropriation of the 2024 earnings										
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,797,000)	-	-	(1,797,000)
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	671,947	-	-	671,947
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	167,428	-	167,428
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	671,947	167,428	-	839,375
Recognized on issuance of employee share options (Note 26)	-	-	-	12,290	-	-	-	-	-	12,290
Issuance of ordinary shares under employee share options	248	2,482	500	20,938	-	-	-	-	-	23,920
BALANCE AT MARCH 31, 2025	276,222	\$ 2,762,221	\$ 703	\$ 2,963,446	\$ 1,672,555	\$ 307,257	\$ 5,362,007	\$ 347,424	\$ -	\$ 13,415,613

The accompanying notes are an integral part of the consolidated financial statements.

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 934,823	\$ 597,800
Adjustments for:		
Depreciation expenses	108,038	113,214
Amortization expenses	1,130	1,097
Expected credit loss reversed on trade receivables	244	(35)
Net loss on fair value changes of financial assets at fair value through profit or loss	46,243	29,540
Compensation costs of employee share options	12,290	1,331
Finance costs	15,978	7,409
Interest income	(32,943)	(30,261)
Loss (gain) on disposal of property, plant and equipment	375	(529)
Write-downs of inventories	39,010	-
Reversal of write-down of inventories	-	(36,700)
(Reversal) recognition of provisions	(22,177)	1,973
Changes in operating assets and liabilities		
Notes receivable	(135,862)	(68,081)
Trade receivables	(263,346)	(280,974)
Other receivables	216,031	(11,886)
Inventories	(799,656)	(269,796)
Prepayments	37,527	25,676
Other current assets	(38,035)	(19,111)
Notes payables	(99)	(84)
Trade payables	657,001	(36,246)
Other payables	(39,479)	(7,049)
Other current liabilities	16,036	7,987
Defined benefit liabilities	(30,010)	(3,317)
Cash generated from operations	723,119	21,958
Interest paid	(12,214)	(6,669)
Income taxes paid	(168,348)	(101,876)
Net cash generated from (used in) operating activities	542,557	(86,587)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(139,005)	(232,000)
Purchase of financial assets at fair value through profit or loss	(18,158)	(3,552)
Proceeds from sale of financial assets at fair value through profit or loss	-	10,218
Purchase of property, plant and equipment	(22,710)	(12,263)
Proceeds from disposal of property, plant and equipment	-	739
Increase in refundable deposits	(1,178)	(34)
Payments for intangible assets	(88)	(832)
Increase in other non-current assets	-	(3,959)

(Continued)

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
Decrease in other non-current assets	\$ 4,519	\$ -
Increase in prepayments for equipment	(393,926)	(130,701)
Interest received	<u>26,367</u>	<u>33,087</u>
Net cash used in investing activities	<u>(544,179)</u>	<u>(339,297)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	150,000	-
Repayments of short-term borrowings	(543,360)	(34,684)
Repayments of long-term borrowings	(104,679)	(104,679)
Refund of guarantee deposits received	(11,346)	(1,772)
Proceeds from issuance of ordinary shares	<u>23,920</u>	<u>55,906</u>
Net cash used in financing activities	<u>(485,465)</u>	<u>(85,229)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>141,527</u>	<u>229,593</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(345,560)	(281,520)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>6,280,003</u>	<u>4,958,245</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,934,443</u>	<u>\$ 4,676,725</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Union Technology Corporation (the “Company”) was incorporated under the Company Act and other related regulations of the Republic of China (ROC) on May 22, 1974. Its former name was Taiwan Union Glass Industrial Co., Ltd., and its name was changed to Taiwan Union Technology Corporation since 2000. The Company’s shares have been listed on the Taipei Exchange (TPEX) since December 18, 2003.

The Company mainly produces copper clad laminate, prepreg and mass lamination, and is a supplier of printed circuit boards.

The consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- 3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 317	\$ 366	\$ 338
Checking accounts and demand deposits	2,344,453	1,752,064	1,986,276
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	3,439,673	4,098,005	2,319,636
Repurchase agreements collateralized by bonds	<u>150,000</u>	<u>429,568</u>	<u>370,475</u>
	<u>\$ 5,934,443</u>	<u>\$ 6,280,003</u>	<u>\$ 4,676,725</u>

The market rate intervals of cash in banks and repurchase agreements collateralized by bonds at the end of the year were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Bank deposits	0.001%-4.80%	0.001%-5.26%	0.001%-5.60%
Repurchase agreements collateralized by bonds	1.57%	1.50%-1.55%	1.28%-5.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Convertible bonds of domestic listed shares	\$ -	\$ -	\$ 17,375
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial liabilities			
Convertible bonds	\$ 3,200	\$ -	\$ 1,784
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Swap contracts (a)	\$ 2,792	\$ 12,215	\$ 12,114
Cross-currency swap contracts (b)	49,751	17,278	-
Foreign exchange forward contracts (c)	2,035	-	-
	\$ 54,578	\$ 29,493	\$ 12,114
<u>Financial liabilities at FVTPL - non-current</u>			
Financial liabilities mandatorily classified as at FVTPL			
Non-derivative financial liabilities			
Convertible bonds	\$ 12,000	\$ 5,800	\$ -

- a. At the end of the reporting period, outstanding Swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2025</u>			
Swap contracts	USD/NTD	2025.04.28	USD5,000/NTD163,085
		2025.04.28	USD3,000/NTD98,979
<u>December 31, 2024</u>			
Swap contracts	USD/NTD	2025.01.24	USD4,000/NTD127,296
		2025.01.24	USD8,000/NTD254,400
		2025.03.27	USD7,000/NTD226,555
(Continued)			

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2024</u>			
Swap contracts	USD/NTD	2024.04.26	USD9,000/NTD279,315
		2024.05.28	USD7,000/NTD218,554
		2024.06.27	USD5,000/NTD158,050
			(Concluded)

- b. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

March 31, 2025

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
THB1,000,000/NTD946,550	2025.09.30	6%	1.5%

December 31, 2024

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
THB1,000,000/NTD946,550	2025.09.30	6%	1.5%

- c. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2025</u>			
Sell	USD/NTD	2025.05.05	USD3,000/NTD98,615
		2025.06.02	USD6,000/NTD196,719

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ _____	\$ _____	\$ 8,171

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In July 2024, the Group sold its partial shares in Global Hi-tech Co., Ltd. and its related unrealized gains on financial assets at FVTOCI of \$1,963 thousand was transferred from other equity to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 896,496	\$ 757,491	\$ 888,203

The range of interest rates for time deposits with original maturities of more than 3 months was approximately 1.58%-5%, 1.46%-4.45% and 1.40%-5.60% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
Notes receivable - operating	\$ 904,956	\$ 769,094	\$ 844,211
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 8,672,667	\$ 8,006,331	\$ 5,390,864
Less: Allowance for impairment loss	(483)	(234)	(17,155)
	8,672,184	8,006,097	5,373,709
At FVTOCI	282,080	685,070	843,739
	\$ 8,954,264	\$ 8,691,167	\$ 6,217,448

Trade Receivables

a. At amortized cost

The average credit period of sales of goods was 90 to 120 days. No interest was charged on trade receivables. At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2025

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 8,659,316	\$ 13,147	\$ 204	\$ 8,672,667
Loss allowance (Lifetime ECLs)	<u>(131)</u>	<u>(148)</u>	<u>(204)</u>	<u>(483)</u>
Amortized cost	<u>\$ 8,659,185</u>	<u>\$ 12,999</u>	<u>\$ -</u>	<u>\$ 8,672,184</u>

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 7,957,483	\$ 48,787	\$ 61	\$ 8,006,331
Loss allowance (Lifetime ECLs)	<u>(43)</u>	<u>(130)</u>	<u>(61)</u>	<u>(234)</u>
Amortized cost	<u>\$ 7,957,440</u>	<u>\$ 48,657</u>	<u>\$ -</u>	<u>\$ 8,006,097</u>

March 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 5,352,098	\$ 21,633	\$ 17,133	\$ 5,390,864
Loss allowance (Lifetime ECLs)	<u>(16)</u>	<u>(6)</u>	<u>(17,133)</u>	<u>(17,155)</u>
Amortized cost	<u>\$ 5,352,082</u>	<u>\$ 21,627</u>	<u>\$ -</u>	<u>\$ 5,373,709</u>

The Group's expected credit loss rate for each range in the above table is as follows: Not more than 10% for receivables not past due within 90 days; and 100% for receivables past due over 90 days.

The movements of the loss allowance of trade receivables were as follows:

	March 31	
	2025	2024
Balance on January 1	\$ 234	\$ 17,190
Add: Net remeasurement of loss allowance	244	-
Less: Net remeasurement of loss allowance	-	(35)
Foreign exchange gains and losses	<u>5</u>	<u>-</u>
Balance on March 31	<u>\$ 483</u>	<u>\$ 17,155</u>

b. At FVTOCI

For some trade receivables, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

March 31, 2025

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 282,080	\$ -	\$ -	\$ 282,080
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 282,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,080</u>

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 685,070	\$ -	\$ -	\$ 685,070
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 685,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 685,070</u>

March 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Gross carrying amount	\$ 843,739	\$ -	\$ -	\$ 843,739
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 843,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843,739</u>

Factored trade receivables for the three months ended March 31, 2025 and 2024 were as follows:

Counterparty	Receivables Sold	Advances Received at Year-end	Interest Rates on Advances Received (%)	Retained Amount	Credit Line
<u>March 31, 2025</u>					
E.SUN bank	\$ 83,700	\$ -	-	\$ 83,700	\$ 531,280
Chang Hwa Bank	<u>198,380</u>	<u>-</u>	-	<u>198,380</u>	<u>929,740</u>
	<u>\$ 282,080</u>	<u>\$ -</u>		<u>\$ 282,080</u>	<u>\$ 1,461,020</u>
<u>December 31, 2024</u>					
E.SUN bank	\$ 371,888	\$ -	-	\$ 371,888	\$ 524,560
Chang Hwa Bank	<u>313,182</u>	<u>-</u>	-	<u>313,182</u>	<u>688,485</u>
	<u>\$ 685,070</u>	<u>\$ -</u>		<u>\$ 685,070</u>	<u>\$ 1,213,045</u>
<u>March 31, 2024</u>					
E.SUN bank	\$ 661,765	\$ -	-	\$ 661,765	\$ 1,143,232
Mega bank	388	-	-	388	57,600
Chang Hwa Bank	<u>181,586</u>	<u>-</u>	-	<u>181,586</u>	<u>672,000</u>
	<u>\$ 843,739</u>	<u>\$ -</u>		<u>\$ 843,739</u>	<u>\$ 1,872,832</u>

The above credit lines may be used on a revolving basis. The Group decided to sell these trade receivables to banks without recourse.

11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 803,846	\$ 783,442	\$ 651,151
Work in process	237,962	241,660	202,823
Raw materials	2,822,623	2,100,850	1,463,460
Raw material in transit	47,626	30,256	17,285
Spare parts	<u>36,050</u>	<u>32,919</u>	<u>30,083</u>
	<u>\$ 3,948,107</u>	<u>\$ 3,189,127</u>	<u>\$ 2,364,802</u>

The nature of the cost of inventories is as follows:

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 4,800,112	\$ 3,458,120
Inventory write-downs (reversed)	<u>39,010</u>	<u>(36,700)</u>
	<u>\$ 4,839,122</u>	<u>\$ 3,421,420</u>

Inventory write-downs were reversed as a result of the increase selling prices in certain markets.

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
Taiwan Union Technology Corporation	Taiwan Union Holding Corporation	Investment holding	100	100	100	a
Taiwan Union Technology Corporation	Taiwan Union Technology (Thailand) Co., Ltd.	Manufacture and sale of CCL and PP.	100	100	100	b
Taiwan Union Holding Corporation	Taiwan Union (Samoa) Corporation	Investment holding	100	100	100	c
	Taiwan Union Investment Corporation	International trading and investment holding	100	100	100	d
Taiwan Union (Samoa) Corporation	Taiwan Union (Changshu) Corporation	Manufacture and sale of CCL and PP.	100	100	100	e
Taiwan Union Investment Corporation	Taiwan Union (Zhongshan) Corporation	Manufacture and sale of CCL and PP.	100	100	100	f

- a. Taiwan Union Holding Corporation (“TUCH”) is a 100% owned subsidiary of Taiwan Union Technology Corporation. It was established in the British Virgin Islands in March 2001 and obtained approval from the Investment Commission of the Ministry of Economic Affairs for investment activities.
- b. Taiwan Union Technology (Thailand) Co., Ltd (“Taiwan Union Technology Thailand”) was established in December 2022 with 100% investment from Taiwan Union Technology Corporation. The Company mainly produces copper clad laminate and prepreg.
- c. Taiwan Union (Samoa) Corporation (“TUCS”) is a 100% owned subsidiary of TUCH. It was established in the Independent State of Samoa in May 2004 and obtained approval from the Investment Commission of the Ministry of Economic Affairs for investment activities.
- d. Taiwan Union Investment Corporation (“TUCI”) is a 100% owned subsidiary of TUCH. It was established in the Independent State of Samoa in October 2006 and obtained approval from the Investment Commission of the Ministry of Economic Affairs for investment activities.
- e. Taiwan Union (Changshu) Corporation (“TUCC”) is a 100% owned subsidiary of TUCS. It was established in the Zhejiang Province, China and obtained the business license in August 2004. The validity period of the business license is from August 16, 2004 to August 15, 2054. The Company mainly produces copper clad laminate and prepreg.

- f. Taiwan Union (Zhongshan) Corporation (“TUCZ”) is a 100% owned subsidiary of TUCI. It was established in the Guangdong Province, China and obtained the business license in December 2006. The validity period of the business license is from December 12, 2006 to December 12, 2056. The Company mainly produces copper clad laminate and prepreg.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utilities Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>								
Balance on January 1, 2025	\$ 1,173,630	\$ 2,155,970	\$ 5,259,807	\$ 688,900	\$ 32,573	\$ 241,472	\$ 1,283,591	\$ 10,835,943
Additions	-	276	14,620	1,964	301	333	5,216	22,710
Disposals	-	(1,359)	(1,528)	(646)	-	-	(3,418)	(6,951)
Reclassification	-	-	15,545	1,551	1,203	-	2,481	20,780
Effects of foreign currency exchange differences	9,221	13,747	37,101	-	235	2,695	11,949	74,948
Balance on March 31, 2025	<u>\$ 1,182,851</u>	<u>\$ 2,168,634</u>	<u>\$ 5,325,545</u>	<u>\$ 691,769</u>	<u>\$ 34,312</u>	<u>\$ 244,500</u>	<u>\$ 1,299,819</u>	<u>\$ 10,947,430</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ 1,063,825	\$ 3,990,105	\$ 347,149	\$ 23,283	\$ 175,733	\$ 897,167	\$ 6,497,262
Depreciation expenses	-	19,149	52,022	12,037	810	5,475	17,841	107,334
Disposals	-	(1,359)	(1,216)	(646)	-	-	(3,355)	(6,576)
Effects of foreign currency exchange differences	-	9,245	28,856	-	134	1,893	8,289	48,417
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 1,090,860</u>	<u>\$ 4,069,767</u>	<u>\$ 358,540</u>	<u>\$ 24,227</u>	<u>\$ 183,101</u>	<u>\$ 919,942</u>	<u>\$ 6,646,437</u>
Carrying amounts on March 31, 2025	<u>\$ 1,182,851</u>	<u>\$ 1,077,774</u>	<u>\$ 1,255,778</u>	<u>\$ 333,229</u>	<u>\$ 10,085</u>	<u>\$ 61,399</u>	<u>\$ 379,877</u>	<u>\$ 4,300,993</u>
Carrying amounts on December 31, 2024 and January 1, 2025	<u>\$ 1,173,630</u>	<u>\$ 1,092,145</u>	<u>\$ 1,269,702</u>	<u>\$ 341,751</u>	<u>\$ 9,290</u>	<u>\$ 65,739</u>	<u>\$ 386,424</u>	<u>\$ 4,338,681</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 1,123,614	\$ 2,096,964	\$ 5,097,224	\$ 670,190	\$ 33,249	\$ 219,037	\$ 1,221,738	\$ 10,462,016
Additions	-	245	3,397	2,536	568	1,307	4,210	12,263
Disposals	-	-	(12,351)	-	(2,560)	-	(1,274)	(16,185)
Reclassification	-	-	9,018	459	-	219	658	10,354
Effects of foreign currency exchange differences	(7,453)	36,588	97,193	-	478	6,366	31,168	164,340
Balance on March 31, 2024	<u>\$ 1,116,161</u>	<u>\$ 2,133,797</u>	<u>\$ 5,194,481</u>	<u>\$ 673,185</u>	<u>\$ 31,735</u>	<u>\$ 226,929</u>	<u>\$ 1,256,500</u>	<u>\$ 10,632,788</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ -	\$ 957,660	\$ 3,704,943	\$ 299,103	\$ 25,329	\$ 155,472	\$ 799,457	\$ 5,941,964
Depreciation expenses	-	19,018	53,158	12,131	852	6,159	21,216	112,534
Disposals	-	-	(12,269)	-	(2,559)	-	(1,147)	(15,975)
Effects of foreign currency exchange differences	-	22,909	74,299	-	346	4,465	20,805	122,824
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 999,587</u>	<u>\$ 3,820,131</u>	<u>\$ 311,234</u>	<u>\$ 23,968</u>	<u>\$ 166,096</u>	<u>\$ 840,331</u>	<u>\$ 6,161,347</u>
Carrying amounts on March 31, 2024	<u>\$ 1,116,161</u>	<u>\$ 1,134,210</u>	<u>\$ 1,374,350</u>	<u>\$ 361,951</u>	<u>\$ 7,767</u>	<u>\$ 60,833</u>	<u>\$ 416,169</u>	<u>\$ 4,471,441</u>

No impairment loss or reversal of impairment loss was recognized for the three months ended March 31, 2025 and 2024.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Industrial buildings	20-50 years
Engineering system	1-35 years
Major production equipment	0.5-20 years
Transportation equipment	3-10 years
Office equipment	1-5 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Land use rights	<u>\$ 92,982</u>	<u>\$ 92,374</u>	<u>\$ 93,406</u>
		For the Three Months Ended March 31	
		2025	2024
Depreciation charge for right-of-use assets			
Land use rights		<u>\$ 704</u>	<u>\$ 680</u>

Except for the aforementioned recognized depreciation, the Group did not have significant sublease and impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

b. Material leasing activities and terms

The Group also leases land for producing products in China with lease terms of about 50 years. The Group does not have bargain purchase options to acquire the leasehold land at the end of lease terms.

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 3,050</u>	<u>\$ 2,277</u>
Total cash outflow for leases	<u>\$ (3,050)</u>	<u>\$ (2,277)</u>

The Group has elected to apply the exemption from recognition to leases of OA and other equipment that qualify as short-term leases and not to recognize the related right-of-use assets and lease liabilities for these leases.

15. INTANGIBLE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Software	<u>\$ 9,027</u>	<u>\$ 10,006</u>	<u>\$ 10,715</u>

Except for amortization recognized, the group did not have significant additions, disposals and impairment of other intangible assets during the three months ended March 31, 2025 and 2024. The amortization expense are amortized on a straight-line basis over their estimated useful lives as follows:

Software	2-10 years
----------	------------

An analysis of amortization by function

	For the Three Months Ended March 31	
	2025	2024
Operating costs	\$ 144	\$ 170
General and administrative expenses	978	886
Research and development expenses	<u>8</u>	<u>41</u>
	<u>\$ 1,130</u>	<u>\$ 1,097</u>

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Line of credit borrowings	<u>\$ 150,000</u>	<u>\$ 543,360</u>	<u>\$ 150,000</u>

The interest rate range on the credit line of short-term borrowings was 1.93%, 1.93%-5.32% and 1.74%, per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Credit borrowings</u>			
Bank loans	\$ 1,837,774	\$ 1,942,453	\$ 1,956,489
Less: Current portion	<u>(418,715)</u>	<u>(418,715)</u>	<u>(418,715)</u>
Long-term borrowings	<u>\$ 1,419,059</u>	<u>\$ 1,523,738</u>	<u>\$ 1,537,774</u>

The Group's borrowings were as follows:

	Description	March 31, 2025	December 31, 2024	March 31, 2024
Loans for returning overseas Taiwanese business (1)	Amount: NT\$2,120,000 thousand Maturity: 7-10 years after initial drawdown date Interest rate: 0.68%-0.72% Repayment method: After the grace period, the principal is amortized evenly every month.	\$ 622,774	\$ 727,453	\$ 1,041,489
Syndicate credit loan (2)	Amount: NT\$3,000,000 thousand Maturity: May 23, 2028 Interest rate: 2.24% Repayment method: Each drawdown period lasts for 3 whole years, with the first period being 36 months. Thereafter, every 6 months constitutes one period, with a total of 5 periods for principal repayments.	900,000	900,000	600,000

(Continued)

		March 31, 2025	December 31, 2024	March 31, 2024
Export-Import Bank of the Republic of China to obtain overseas investment financing loans (3)	Amount: NT\$1,000,000 thousand Maturity: September 11, 2030 Interest rate: 1.93% Repayment method: The first installment will be after 36 months, and then every 6 months will be one installment. The principal will be paid off evenly in 9 installments.	\$ 315,000	\$ 315,000	\$ 315,000
Less: Current portion of long-term borrowings		<u>(418,715)</u>	<u>(418,715)</u>	<u>(418,715)</u>
		<u>\$ 1,419,059</u>	<u>\$ 1,523,738</u>	<u>\$ 1,537,774</u> (Concluded)

- 1) Taiwan Union Corporation has obtained a project loan for returning overseas Taiwanese businesses and signed a medium- and long-term loan contract of NT\$2,120 million with E.SUN Commercial Bank, Shanghai Commercial & Savings Bank, Ltd. and Bank of Taiwan in April 2019. The loan's credit period is seven to ten years.
- 2) On January 3, 2023, Taiwan Union Corporation entered into syndicated loan agreements with E.SUN Commercial Bank, Hua Nan Commercial Bank, Ltd., TAIPEI FUBON Commercial Bank Co., Ltd., Taiwan Cooperative Bank, Bank SinoPac, KGI Bank Co., Ltd., Bank of Taiwan and Land Bank of Taiwan with a limit of NT\$3 billion. The credit period is five years from the date of first use.

Pursuant to the bank loan agreement, before the debts are fully repaid during the duration of the joint loan, the Company should maintain certain financial ratios, which should be calculated based on the audited annual consolidated financial statements of Taiwan Union Technology Corporation.

- 3) Taiwan Union Corporation signed a long-term loan contract of NT\$1,000,000 thousand with the Export-Import Bank of the Republic of China to obtain overseas investment financing loans in September 2023. The credit period is seven years from the date of first use.

17. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured domestic bonds	\$ 1,929,836	\$ 1,925,555	\$ 464,412
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,929,836</u>	<u>\$ 1,925,555</u>	<u>\$ 464,412</u>

Unsecured Domestic Convertible Bonds

- a. As of May 6, 2024, the Taiwan Union Corporation issued 20 thousand units of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$2,000,000 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Taiwan Union Corporation at a conversion price of \$170. Conversion may occur at any time between August 7, 2024 and May 6, 2029. If the convertible bonds meet the specified conditions at that time, bondholders can convert the bonds at a conversion price of \$170 per share from August 7, 2024 to May 6, 2029.

The conversion period of the bonds is from August 7, 2024 to March 27, 2029. If the closing price of the Company's ordinary shares is at least 130% of the original conversion price for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Company has the right to redeem the outstanding bonds payable at par value in cash.

The convertible bonds will be sold back to the bondholder in advance on May 6, 2027, and the bondholder may request the Company to redeem the bonds in cash at face value plus interest compensation.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.0422% per annum on initial recognition.

Proceeds from issuance on May 6, 2024 (less transaction costs of \$5,602 thousand)	\$ 2,114,411
Equity component (less transaction costs allocated to the equity component of \$517 thousand)	(195,159)
Liability component	<u>(4,876)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,085 thousand)	1,914,376
Interest charged at an effective interest rate	<u>11,179</u>
Liability component on December 31, 2024	1,925,555
Interest charged at an effective interest rate	<u>4,281</u>
Liability component on March 31, 2025	<u>\$ 1,929,836</u>

- b. On May 22, 2020, the Company issued 18 thousand units of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of NT\$1,800,000 thousand.

Each bond entitles the bondholder to convert it into ordinary shares of the Company at a conversion price of \$127.3 (original price was \$153.4, because of ex-dividend the ordinary shares of the Group adjust to \$147.1, \$138.3, \$130.3 and \$127.3, respectively on April 22, 2021, April 14, 2022, April 21, 2023 and April 25, 2024) Conversion may occur at any time between August 23, 2020 and May 22, 2025. If the convertible bonds meet the specified conditions at that time, bondholders can convert the bonds at a conversion price of \$127.3 per share from August 23, 2020 to May 22, 2025.

The conversion period of the bonds is from August 23, 2020 to April 12, 2025. If the closing price of the Company's ordinary shares is at least 130% of the original conversion price for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Company has the right to redeem the outstanding bonds payable at par value in cash.

The convertible bonds will be sold back to the bondholder in advance on May 22, 2023, and the bond holder may request the Company to redeem the bonds in cash at face value plus interest compensation.

The convertible corporate bonds comprise the liability and equity components, and the equity component is presented in capital surplus - share warrants. The effective interest rate originally recognized in the liability component is 1.2276%.

Proceeds from issuance (less transaction costs of \$5,602 thousand)	\$ 1,812,408
Equity component (less transaction costs allocated to the equity component of \$307 thousand)	(99,319)
Liability component	<u>(3,272)</u>
Liability component (less transaction costs allocated to the liability component of \$5,295 thousand)	1,709,817
Interest charged at an effective interest rate	<u>10,972</u>
Liability component on December 31, 2020	1,720,789
Interest charged at an effective interest rate	<u>18,037</u>
Liability component on December 31, 2021	1,738,826
Interest charged at an effective interest rate	<u>18,036</u>
Liability component on December 31, 2022	1,756,862
Interest charged at an effective interest rate	<u>9,761</u>
Redeemed convertible bonds	<u>(1,303,201)</u>
Liability component on December 31, 2023	463,422
Interest charged at an effective interest rate	<u>1,089</u>
Convertible bonds converted into ordinary shares	<u>(99)</u>
Liability component on March 31, 2024	<u>\$ 464,412</u>

18. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Other payables			
Payables for compensation of employees and remuneration of directors	\$ 262,599	\$ 202,617	\$ 129,744
Payables for salaries	140,795	133,739	117,639
Payables for bonuses	100,430	189,234	55,627
Payables for business tax	73,337	85,110	76,745
Payables for processing fee	66,827	83,737	38,520
Payables for freight	60,063	67,714	59,645
Payables for repairs and maintenance	43,265	53,349	42,847
Payables for purchases of equipment	46,656	38,281	40,938
Payables for duty	50,113	57,357	40,291
Payables for utilities	66,944	50,707	38,810
Payables for commission	48,483	42,533	31,868
Payables for insurance	16,707	15,858	14,763
Payables for waste treatment	10,213	12,467	12,493
Payables for dividends	1,797,000	-	1,090,000
Others	<u>116,523</u>	<u>110,248</u>	<u>85,862</u>
	<u>\$ 2,899,955</u>	<u>\$ 1,142,951</u>	<u>\$ 1,875,792</u>
Other current liabilities			
Contract liabilities	\$ 7,578	\$ 7,737	\$ 2,271
Temporary credits and receipts under custody	<u>38,420</u>	<u>22,225</u>	<u>23,200</u>
	<u>\$ 45,998</u>	<u>\$ 29,962</u>	<u>\$ 25,471</u>

19. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Refund liabilities	\$ 31,017	\$ 53,068	\$ 28,389
Carbon fees	<u>208</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,225</u>	<u>\$ 53,068</u>	<u>\$ 28,389</u>

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Group assessed that it was probable to obtain the approval for the self-determined reduction plan from the competent authority, and assessed that it was probable to meet the designated target of the current year. The Group expects to submit the implementation progress report of the self-determined reduction plan for the current year before April 30, 2025; therefore, the carbon fee provision was calculated based on the preferential rate.

20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$265 thousand and \$320 thousand, respectively, and were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

21. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Numbers of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>276,222</u>	<u>275,974</u>	<u>271,680</u>
Shares issued	<u>\$ 2,762,221</u>	<u>\$ 2,759,739</u>	<u>\$ 2,716,802</u>
Capital collected in advance	<u>\$ 703</u>	<u>\$ 203</u>	<u>\$ 22,067</u>

The change in the Company's share capital is mainly due to the exercise of employees share options.

On March 31, 2025, the Group converted employee stock options into 298 thousand ordinary shares. On March 31, 2025, the changes in registration for 298 thousand shares. And 20 thousand shares from the issuance of shares were completed in fiscal year 2024. Another 70 thousand shares of employee share options were recognized as capital collected in advance. But the Company has not yet registered with the Ministry of Economic Affairs before the date of the issuance of this consolidated financial report.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	\$ 848,804	\$ 827,866	\$ 786,033
Conversion of bonds	1,815,212	1,815,212	1,360,663
Treasury share transactions	4,386	4,386	4,386
<u>May not be used for any purpose</u>			
Employee share options	99,885	87,595	78,676
Share warrants	<u>195,159</u>	<u>195,159</u>	<u>25,900</u>
	<u>\$ 2,963,446</u>	<u>\$ 2,930,218</u>	<u>\$ 2,255,658</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23-f.

The Company's Articles also stipulate a dividends policy, which involves the issuance of stock dividends and cash dividends and includes employees of the Company that meet certain conditions.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company resolved the amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 260,839	\$ 82,452
Special reserve	(307,257)	186,526
Cash dividends	1,797,000	1,090,000
Cash dividends per share (NT\$)	6.5	4.0

The above appropriations for cash dividends were resolved by the Company's board of directors on March 12, 2025 and March 6, 2024, respectively; the other proposed appropriations for the year ended December 31, 2023 were resolved by the shareholders in their meeting on June 19, 2024, and the other proposed appropriations for the year ended December 31, 2024 will be resolved by the shareholders in their meeting to be held on June 17, 2025.

22. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	\$ <u>6,372,144</u>	\$ <u>4,433,335</u>

Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Trade receivables (Note 10)	\$ <u>8,954,264</u>	\$ <u>8,691,167</u>	\$ <u>6,217,448</u>	\$ <u>5,936,439</u>
Contract liabilities - current (Note 18)				
Sale of goods	\$ <u>7,578</u>	\$ <u>7,737</u>	\$ <u>2,271</u>	\$ <u>2,379</u>

Refer to Note 35 for the details of revenue.

23. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

- a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Cash in banks	\$ <u>32,943</u>	\$ <u>30,261</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
(Loss) gain on disposal of property, plant and equipment	\$ (375)	\$ 529
Net foreign exchange gain	27,354	39,585
Loss on financial instruments at FVTPL	(46,243)	(29,540)
Others	<u>1,704</u>	<u>(150)</u>
	<u>\$ (17,560)</u>	<u>\$ 10,424</u>

c. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on convertible bonds	\$ 4,281	1,089
Interest on bank loans	<u>11,697</u>	<u>6,320</u>
	<u>\$ 15,978</u>	<u>\$ 7,409</u>

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 87,732	\$ 91,662
Operating expenses	<u>20,306</u>	<u>21,552</u>
	<u>\$ 108,038</u>	<u>\$ 113,214</u>
An analysis of amortization by function		
Operating costs	\$ 144	\$ 170
Operating expenses	<u>986</u>	<u>927</u>
	<u>\$ 1,130</u>	<u>\$ 1,097</u>

e. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 35,569	\$ 22,484
Defined benefit plans (Note 20)	265	320
Share-based payments	12,290	1,331
Other employee benefits	<u>572,408</u>	<u>417,242</u>
	<u>\$ 620,532</u>	<u>\$ 441,377</u>

(Continued)

	For the Three Months Ended March 31	
	2025	2024
An analysis of employee benefits expense by function		
Operating costs	\$ 370,240	\$ 268,141
Operating expenses	<u>250,292</u>	<u>173,236</u>
	<u>\$ 620,532</u>	<u>\$ 441,377</u>
		(Concluded)

f. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 4% and no higher than 8%, and remuneration of directors at rates of no higher than 0.8%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 0.5% of the compensation of employees and the remuneration of directors for the three months ended March 31, 2025 and 2024 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	6.44%	4.52%
Remuneration of directors	0.72%	0.56%

Amount

	For Fiscal Year	
	2025	2024
	In Cash	In Cash
Compensation of employees	\$ 53,923	\$ 23,203
Remuneration of directors	6,059	2,856

If there is a change in the amounts after the actual consolidated financial statements are authorized for issue, the difference is recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Group's board of directors on March 12, 2025 and March 6, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
	In Cash	In Cash
Compensation of employees	\$ 182,284	\$ 93,280
Remuneration of directors	20,333	10,405

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gain	\$ 83,169	\$ 56,890
Foreign exchange loss	<u>(55,815)</u>	<u>(17,305)</u>
Net exchange gain	<u>\$ 27,354</u>	<u>\$ 39,585</u>

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current year	\$ 221,800	\$ 132,918
Income tax of unappropriated earnings	42,989	-
Deferred tax		
In respect of the current year	<u>(1,913)</u>	<u>13,043</u>
Income tax expense recognized in profit or loss	<u>\$ 262,876</u>	<u>\$ 145,961</u>

b. Income tax assessments

The Company's income tax returns through 2023 have been examined by the tax authorities. TUCH, TUCS and TUCI are registered in Samoa and the British Virgin Islands, and they are not required to pay tax on their income. On March 31, 2025, Taiwan Union Technology (Zhongshan) Corporation and Taiwan Union Technology (Changshu) Corporation calculate income tax expense according to local regulations.

25. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	<u>\$ 2.43</u>	<u>\$ 1.66</u>
Diluted earnings per share	<u>\$ 2.33</u>	<u>\$ 1.63</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended March 31	
	2025	2024
Net profit attributed to owners of the Company	\$ 671,947	\$ 451,839
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	<u>3,425</u>	<u>871</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 675,372</u>	<u>\$ 452,710</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	276,213	271,682
Effect of potentially dilutive ordinary shares:		
Employee share options	750	1,139
Compensation of employees or bonuses issued to employees	1,249	547
Convertible bonds	<u>11,765</u>	<u>3,603</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>289,977</u>	<u>276,971</u>

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 6,000 units of options in March 2018 and 3,000 units of options in October 2020. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages two years from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taipei Exchange on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options is as follows:

	For the Three Months Ended March 31			
	2025		2024	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance on January 1	1,562.25	\$167.78	3,707.65	\$111.53
Options exercised	(298.25)	80.20	(765.40)	73.04
Options expired	-	-	(1,054.50)	65.80
Balance on March 31	<u>1,264.00</u>	188.44	<u>1,887.75</u>	152.68
Options exercisable, end of period	<u>1,264.00</u>	80.20	<u>1,137.75</u>	82.10

The weighted-average prices of the shares from the employee share options exercised for the three months ended March 31, 2025 and 2024 were \$167.01 and \$147.71, respectively.

Information on outstanding options as of March 31, 2025 and 2024 is as follows:

	March 31			
	2025		2024	
	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (In Years)	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (In Years)
2020.10.28	\$ 80.20	1.58	\$ 82.10	2.58
2024.11.18	151.50	5.63	-	-

Compensation costs recognized were \$12,290 thousand and \$1,331 thousand for the three months ended March 31, 2025 and 2024, respectively.

27. CASH FLOW INFORMATION

Non-cash Transactions

Except as disclosed in other notes, for the three months ended March 31, 2025 and 2024, the Group entered into the non-cash investment and financing activities as follow:

The Group transferred \$20,780 thousand and \$10,354 thousand of prepayment for equipment investments into equipment - property, plant and equipment for the three months ended March 31, 2025 and 2024.

Refer to Notes 18 and 21 for the undistributed cash dividend approved by the board's meeting on March 31, 2025 and 2024.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments measured at fair value on a recurring basis:

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Convertible bonds of options	\$ -	\$ 3,200	\$ -	\$ 3,200
Financial liabilities at FVTPL				
Derivatives	\$ -	\$ 54,578	\$ -	\$ 54,578
Convertible bonds of options	-	12,000	-	12,000
	\$ -	\$ 66,578	\$ -	\$ 66,578

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	\$ -	\$ 29,493	\$ -	\$ 29,493
Convertible bonds of options	-	5,800	-	5,800
	\$ -	\$ 35,293	\$ -	\$ 35,293

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets	\$ 17,375	\$ -	\$ -	\$ 17,375
Convertible bonds of options	-	1,784	-	1,784
	\$ 17,375	\$ 1,784	\$ -	\$ 19,159
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares	\$ -	\$ -	\$ 8,171	\$ 8,171
Financial liabilities at FVTPL				
Derivatives	\$ -	\$ 12,114	\$ -	\$ 12,114

There were no transfers between Level 1 and Level 2 for the three months ended March 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTPL Derivatives	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2024	\$ -	\$ 8,171	\$ 8,171
Balance at March 31, 2024	\$ -	\$ 8,171	\$ 8,171

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - cross-currency swap contracts	Determined using the information available from the counterparty for valuation and measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflect the credit risk of various counterparties.
Call and put options	Call and put options of convertible bonds are valued using the binomial tree valuation model, based on observable inputs at the end of the period such as the closing price of the stock, volatility, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted debt securities - ROC	Price to book ratio comparison method. The net book value of each share is calculated based on the Company's financial data, and this is compared to the share price of shares of listed companies in similar industries or the average share price of companies in similar business, in order to calculate the present value of the expected profit or loss from holding these investments. The comparison method is comparing it to financial results of similar companies obtained in the open market.

b. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Non-derivative financial assets	\$ -	\$ -	\$ 17,375
Convertible bonds of options	3,200	-	1,784
Financial assets at amortized cost (1)	16,825,447	16,156,250	11,870,509
Financial assets at FVTOCI			
Equity instruments	-	-	8,171
Trade receivables	282,080	685,070	843,739
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Derivative financial assets	54,578	29,493	12,114
Convertible bonds of options	12,000	5,800	-
Financial liabilities at amortized cost (2)	13,007,610	11,098,808	8,211,569

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, bonds payable, one year or a business period of long-term borrowings, long-term borrowings and guarantee amount.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and convertible bonds. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks related to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including foreign exchange forward contracts to hedge the exchange rate risk arising on the sales with foreign currency.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts and exchange contracts.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD and THB.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. A 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and it adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		THB Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Profit or loss	\$ 3,466	\$ 8,707	\$ 15,858	\$ -

* This was mainly attributable to the exposure on outstanding receivables and payables in USD and THB, which were not hedged at the end of the year.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets			
Cash equivalents	\$ 3,589,673	\$ 4,527,573	\$ 2,690,111
Financial assets at amortized cost	<u>896,496</u>	<u>757,491</u>	<u>888,203</u>
	<u>\$ 4,486,169</u>	<u>\$ 5,285,064</u>	<u>\$ 3,578,314</u>
Financial liabilities			
Short-term borrowings	\$ 150,000	\$ 543,360	\$ 150,000
Current portion of long-term liabilities	418,715	418,715	418,715
Long-term borrowings	1,419,059	1,523,738	1,537,774
Bond payables	<u>1,929,836</u>	<u>1,925,555</u>	<u>464,412</u>
	<u>\$ 3,917,610</u>	<u>\$ 4,411,368</u>	<u>\$ 2,570,901</u>
Cash flow interest rate risk			
Financial assets			
Bank demand deposits	<u>\$ 2,343,247</u>	<u>\$ 1,751,511</u>	<u>\$ 1,985,955</u>

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits. The Group's cash flow interest rate risk mainly arises from variable-rate borrowings and deposits denominated in USD.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$1,465 thousand and would have increased/decreased by \$1,241 thousand, respectively, which would have been mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits.

c) Other price risk

The Group was exposed to equity price risk through for investments in unlisted equity securities. Equity investments are held for strategic rather than trading purposes, the Group does not actively trade these investments. The Group's equity price risk is mainly concentrated in equity instruments operating in the Taiwan Stock Exchange.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, arises from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

March 31, 2025

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>					
Notes payable and trade payables		\$ 1,616,728	\$ 2,945,628	\$ 1,593,434	\$ -
Fixed interest rate liabilities	0.68-2.24	185,651	70,463	316,063	3,355,333

December 31, 2024

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>					
Notes payable and trade payables		\$ 1,423,760	\$ 2,674,112	\$ 1,401,016	\$ -
Fixed interest rate liabilities	0.68-5.32	185,808	467,592	316,619	3,456,246

March 31, 2024

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1+ Years
<u>Non-derivative financial liabilities</u>					
Notes payable and trade payables		\$ 991,410	\$ 1,850,695	\$ 908,984	\$ -
Fixed interest rate liabilities	0.675-2.018	185,903	70,958	318,289	2,010,350

The amount included above for variable interest rate instruments for non-derivative financial assets and liabilities may be subject to change if variable interest rates differ from those estimates of interest rates determined at the end of the year.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

March 31, 2025

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>				
Swap contracts	\$ (2,792)	\$ -	\$ -	\$ -

(Continued)

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Gross settled</u>				
Cross-currency swap contracts				
Inflows	\$ -	\$ 946,550	\$ -	\$ -
Outflows	<u>-</u>	<u>(996,301)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ (49,751)</u>	<u>\$ -</u>	<u>\$ -</u>
Foreign exchange forward contracts				
Inflows	\$ 295,334	\$ -	\$ -	\$ -
Outflows	<u>(297,369)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (2,035)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				(Concluded)

December 31, 2024

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>				
Swap contracts	<u>\$ (12,215)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Gross settled

Cross-currency swap contracts				
Inflows	\$ -	\$ 946,550	\$ -	\$ -
Outflows	<u>-</u>	<u>(963,828)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ (17,278)</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2024

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>				
Swap contracts	<u>\$ (12,114)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Bank loan facilities:			
Amount utilized	\$ 1,987,774	\$ 2,504,958	\$ 2,122,958
Amount unutilized	<u>10,423,036</u>	<u>10,025,499</u>	<u>8,791,486</u>
	<u>\$ 12,410,810</u>	<u>\$ 12,530,457</u>	<u>\$ 10,914,444</u>

d) Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of March 31, 2025, December 31, 2024 and March 31, 2024, the face amounts of these unsettled bills receivable were \$656,993 thousand, \$1,975,185 thousand and \$411,738 thousand. The unsettled bills receivable will be due in 3 months after March 31, 2025. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the three months ended March 31, 2025 and 2024, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the current year or cumulatively.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Compensation of Key Management Personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 13,838	\$ 11,513
Post-employment benefits	266	216
Share-based payments	<u>2,314</u>	<u>191</u>
	<u>\$ 16,418</u>	<u>\$ 11,920</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for fuel deposit and customs guarantee of imported equipment:

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged deposits			
Fuel deposits	\$ 10,500	\$ 10,500	\$ 10,500
Others	<u>8,495</u>	<u>7,317</u>	<u>4,071</u>
	<u>\$ 18,995</u>	<u>\$ 17,817</u>	<u>\$ 14,571</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Group as of March 31, 2025 and 2024 were as follows:

Significant unrecognized commitments

Taiwan Union Technology (Thailand) Co., Ltd. and the Group entered into a contract for the purchase of machinery, equipment and accessories for the construction of a plant. The total contract price was approximately NT\$2,424,594 thousand, and as of March 31, 2025, the payment for the machinery and equipment was NT\$1,237,067 thousand.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 90,248	33.205 (USD:NTD)	\$ 2,996,669
USD	33,944	7.178 (USD:RMB)	1,127,095
THB	2,014,025	0.984 (THB:NTD)	1,982,204
RMB	58,591	4.573 (RMB:NTD)	267,937
JPY	62,801	0.223 (JPY:NTD)	13,986
EUR	72	35.970 (EUR:NTD)	<u>2,603</u>
			<u>\$ 6,390,494</u>
<u>Financial liabilities</u>			
Monetary items			
USD	67,790	33.205 (USD:NTD)	\$ 2,250,974
USD	43,353	7.178 (USD:RMB)	1,439,538
JPY	141,926	0.223 (JPY:NTD)	31,607
RMB	6,414	4.573 (RMB:NTD)	29,331
JPY	18,578	0.178 (JPY:RMB)	<u>3,309</u>
			<u>\$ 3,754,759</u>

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 102,933	32.785 (USD:NTD)	\$ 3,374,669
USD	46,031	7.188 (USD:RMB)	1,509,127
THB	1,009,855	0.962 (THB:NTD)	971,784
RMB	37,129	4.478 (RMB:NTD)	166,265
JPY	8,306	0.210 (JPY:NTD)	1,743
EUR	78	34.140 (EUR:NTD)	<u>2,670</u>
			<u>\$ 6,026,258</u>

Financial liabilities

Monetary items			
USD	69,691	32.785 (USD:NTD)	\$ 2,284,835
USD	44,784	7.188 (USD:RMB)	1,468,238
JPY	78,565	0.210 (JPY:NTD)	16,491
RMB	1,226	4.478 (RMB:NTD)	5,489
JPY	15,139	0.047 (JPY:RMB)	<u>3,178</u>
			<u>\$ 3,778,231</u>

March 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 71,993	32.000 (USD:NTD)	\$ 2,303,776
USD	35,348	7.095 (USD:RMB)	1,131,143
JPY	49,418	0.212 (JPY:NTD)	10,452
THB	5,299	0.884 (THB:NTD)	4,684
EUR	76	34.460 (EUR:NTD)	<u>2,628</u>
			<u>\$ 3,452,683</u>

Financial liabilities

Monetary items			
USD	35,823	32.000 (USD:NTD)	\$ 1,146,342
USD	37,505	7.095 (USD:RMB)	1,200,153
JPY	89,080	0.212 (JPY:NTD)	<u>18,840</u>
			<u>\$ 2,365,335</u>

For the three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange gains were \$27,354 thousand and \$39,585 thousand, respectively. Due to the variety of foreign currency transactions, it is not possible to disclose exchange gains and losses separately for each materially affected foreign currency.

34. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and information on investees
 - 1) Financing provided. (Table 1)
 - 2) Endorsements/guarantees provided. (Table 2)
 - 3) Significant marketable securities held. (excluding investment in subsidiaries, associates and joint ventures) (None)
 - 4) Total purchases from or sales to related parties of at least NT\$100 million or 20% of paid-in capital. (Table 3)
 - 5) Receivables from related parties of at least NT\$100 million or 20% of paid-in capital. (Table 4)
 - 6) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information on investments (Table 5)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds inflow and outflow of capital, percentage of ownership, investment gain or loss, carrying amount of the investment at the end of the period ending balance, repatriations of investment income, and limit on the amount of investment in the mainland China area amount received as dividends from the investee and limitation on investee. (Table 6)
 - 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: (Table 7)
 - a) The purchase amounts and percentage of total purchases and the payables' balances and percentage of the total payables at the end of the period.
 - b) The sales amounts and percentage of total sales and the receivables' balances and percentage of the total receivables at the end of the period.
 - c) The amount of property transactions and the amount of the related gains or losses.
 - d) The ending balance of negotiable instrument endorsements/guarantees or pledges of collateral and the related purposes.
 - e) The highest balance during the period, the ending balance, the interest rate range, and total interest for the period with respect to financing of funds.
 - f) Other transactions that have a significant effect on the profit or loss or the financial position, such as the rendering or receipt of services.

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

- Taiwan Union Technology Corporation
- Mainland China and other subsidiaries

The copper clad laminate (direct sales) segment includes a number of direct sales operations in various cities within China each of which is considered a separate operating segment by the chief operating decision maker (CODM). For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- The nature of the products and production processes are similar;
- The methods used to distribute the products to the customers are the same.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results by reportable segments:

	Segment Revenue		Segment Profit	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Domestic sales and manufacturing department	\$ 2,738,672	\$ 1,720,490	\$ 206,081	\$ 25,006
Overseas sales and manufacturing department	<u>3,633,472</u>	<u>2,712,845</u>	<u>729,337</u>	<u>539,518</u>
	<u>\$ 6,372,144</u>	<u>\$ 4,433,335</u>	935,418	564,524
Other income			32,943	30,261
Financial cost			(15,978)	(7,409)
Other gains and losses			<u>(17,560)</u>	<u>10,424</u>
Profit before tax			<u>\$ 934,823</u>	<u>\$ 597,800</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the three months ended March 31, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Segment assets</u>			
Domestic sales and manufacturing department	\$ 11,879,362	\$ 11,963,277	\$ 8,491,098
Overseas sales and manufacturing department	14,060,886	13,041,793	10,600,831
Unallocated assets	<u>1,015,179</u>	<u>872,813</u>	<u>978,036</u>
Total segment assets	<u>\$ 26,955,427</u>	<u>\$ 25,877,883</u>	<u>\$ 20,069,965</u>
<u>Segment liabilities</u>			
Domestic sales and manufacturing department	\$ 5,644,809	\$ 3,811,475	\$ 3,626,768
Overseas sales and manufacturing department	3,557,888	3,024,479	2,139,384
Unallocated liabilities	<u>4,337,117</u>	<u>4,704,901</u>	<u>3,034,147</u>
Total segment liabilities	<u>\$ 13,539,814</u>	<u>\$ 11,540,855</u>	<u>\$ 8,800,299</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- 1) All assets were allocated to reportable segments other than financial assets at FVTPL, financial assets at amortized cost, current tax assets and deferred tax assets. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and
- 2) All liabilities were allocated to reportable segments other than borrowings, bonds payable, financial liabilities at FVTPL, current tax liabilities and deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

TABLE 1

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
For the three months ended MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Counter Party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	Taiwan Union Technology Corporation	Taiwan Union Technology (Thailand) Co., Ltd.	Other receivables	Yes	\$ 1,181,040	\$ 1,181,040	\$ 984,200	1.9-2.4	Need for short-term financing	\$ -	Capital expenditure for plant construction	\$ -	NA	\$ -	\$ 5,366,245	\$ 5,366,245

Note 1: The numbers to be filled are described as follows:

a. For the issuer, fill in 0.

b. Investees are numbered sequentially starting from 1 according to the company type.

Note 2: The total amount of such financing facility shall not exceed 40% of the lender's net worth. While the financing was provided to a foreign subsidiary, which was directly or indirectly held by the Company, the credit financing limit for each borrower was not subject to the 40% limit.

The financial statement net worth as at March 31, 2025 was \$13,415,613 thousand × 40% = \$5,366,245 thousand.

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENT FOR OTHERS
For the three months ended MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement Guarantor Company Name	Guaranteed by the Endorsement		Quota for A Single Enterprise Endorsement Guarantee (Note 3)	The Highest Endorsement in This Period Guaranteed Balance	End of Term Endorsement Guaranteed Balance	Actual Spending Amount	Guarantee Amount Secured by Property Endorsement	Cumulative Endorsement Guarantee the Amount Accounted for the Most Recent Financial Statement Net Worth Ratio of (%)	Endorsement Guarantee Maximum Limit (Note 3)	Parent Company Subsidiary Endorsement Guarantee	Subsidiary Pair Parent Company Endorsement Guarantee	Mainland China Endorsement Guarantee	Note
		Name of the Company	Relationship (Note 2)											
0	Taiwan Union Technology Corporation	Taiwan Union Technology (Thailand) Co., Ltd.	b.	\$ 13,415,613	\$ 1,968,400	\$ 1,968,400	\$ -	\$ -	14.67	\$ 20,123,420	Y	N	N	

Note 1: The number column is completed in the following manners:

- a. 0 is reserved for issuer.
- b. Each invested company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser and guarantee is classified into seven categories as follows. It is only necessary to mark the type:

- a. A company which the Company has business dealings with.
- b. The company with the majority shareholdings of voting rights held by the Company directly and indirectly.
- c. The company holds the majority shareholdings of voting rights of the Company directly and indirectly.
- d. The company with more than 90% shareholdings of voting rights held by the Company directly and indirectly.
- e. The company needing mutual guarantee pursuant to an agreement in the same industry or between joint proprietors for undertaking engineering projects.
- f. The company received endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.
- g. Escrow and joint and several guarantee of the contracts in the same industry that involve the transaction of pre-sale houses according to the Consumer Protection Act.

Note 3: The limit calculated based on the Company’s procedures for endorsement and guarantee is as follows:

- a. The Company’s aggregate amount of endorsement and guarantee for external entities shall not exceed 150% of the Company’s net value. The limit of financing provided and the total amount of guarantees shall not exceed the net value of the Company.
- b. According to the rules above, the maximum amount of aggregate endorsement and guarantee provided by the Company was the net value of \$13,415,613 thousand × 150% = \$20,123,420 thousand and the maximum endorsement and guarantee for a single entity was the net value of \$13,415,613 thousand for March 31, 2025.

TABLE 3

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Unusual Transactions		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Taiwan Union Technology Corporation	Taiwan Union (Changshu) Corporation	1	Sale	\$ 102,531	5	It is similar with those offered to third parties	\$ -	-	Trade receivables \$ 78,497	2	
Taiwan Union (Changshu) Corporation	Taiwan Union (Zhongshan) Corporation	3	Sale	104,327	6	It is similar with those offered to third parties	-	-	Trade receivables 94,565	3	

There are three types of relationship categorized as follow:

- 1. The holding companies to subsidiaries.
- 2. Subsidiaries to the holding companies.
- 3. Subsidiaries to subsidiaries.

TABLE 4

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Union Technology Corporation	Taiwan Union Technology (Thailand) Co., Ltd.	Subsidiaries	Trade receivables \$ 986,031	(Note 2)	\$ -	-	\$ 3,494	\$ -

Note 1: The amount was eliminated in the consolidated financial statements.

Note 2: The other receivables of Taiwan Union Technology Corporation from Taiwan Union Technology (Thailand) Co., Ltd. pertain to fund lending, interest income, and service fees; therefore, no turnover rate is applicable.

TABLE 5

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Losses) of the Investee	Investment Gain (Loss) Recognized in the Current Period	Note
				March 31, 2025	December 31, 2024	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Taiwan Union Technology Corporation	Taiwan Union Holding Corp. Taiwan Union Technology (Thailand) Co., Ltd.	British Virgin Islands Thailand	Holding and reinvestment Sales and manufacturing CCL and PP.	\$ 2,047,229 1,370,430	\$ 2,047,229 1,370,430	63,012,000 150,000,000	100 100	\$ 9,808,487 1,431,504	\$ 467,968 (16,290)	\$ 467,968 (16,290)	
Taiwan Union Holding Corp.	Taiwan Union (Samoa) Corporation Taiwan Union Investment Corporation	Samoa Samoa	Holding and reinvestment Holding and reinvestment	1,004,502 975,993	1,004,502 975,993	30,730,000 30,300,000	100 100	4,622,227 5,041,427	255,233 211,296	255,233 211,296	

Note: The amount was eliminated in the consolidated financial statements.

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Investee Company’s Current Net Income	Percentage of Ownership (%)	Investment Income (Loss) Recognized	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025	Note
					Outflow	Inflow							
Taiwan Union (Changshu) Corporation	Sales and manufacturing CCL and PP.	\$ 997,031	Investment in mainland China companies through a company established in a third region.	\$ 997,031	\$ -	\$ -	\$ 997,031	\$ 254,743	100.00	\$ 254,743	\$ 4,570,414	\$ 1,731,200	Note
Taiwan Union (Zhongshan) Corporation	Sales and manufacturing CCL and PP.	966,580	Investment in mainland China companies through a company established in a third region.	966,580	-	-	966,580	211,165	100.00	211,165	5,026,802	342,400	Note

2. Limit on the investment amounts in mainland China:

	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
Taiwan Union (Changshu) Corporation	\$ 997,031	\$ 997,031	\$ 8,049,368
Taiwan Union (Zhongshan) Corporation	966,580	966,580	8,049,368

The calculation method of the investment limit for investments in mainland China according to the regulations of the Ministry of Economic Affairs of the People’s Republic of China is as follows:

The Ministry of Economic Affairs of the People’s Republic of China announced in August 2008 that the investment limit for investments in mainland China is 60% of the net value or the combined net value, whichever is higher.

Note: Financial statements reviewed by the Company’s accountant.

TABLE 7

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss:

Company Name	Related Party	Transaction Type	Transaction Details					Accounts/Notes Receivable/Payable		Unrealized Gain or Loss	Remark
			Amount	Percentage (%)	Price	Payment Terms	Compared with Terms of Third Parties	Balance	%		
Taiwan Union Technology Corporation	Taiwan Union (Changshu) Corporation	Sales	\$ 102,531	5	It is similar with those offered to third parties	It is similar with those offered to third parties	It is similar with those offered to third parties	Trade receivables \$ 78,497	2	\$ 15,325	
	Taiwan Union (Zhongshan) Corporation	Sales	89,689	4	It is similar with those offered to third parties	It is similar with those offered to third parties	It is similar with those offered to third parties	Trade receivables 67,150	2	8,112	

- Note 1: The amount was eliminated in the consolidated financial statements.
- Note 2: The amount of property transactions and profit and loss generated: None.
- Note 3: Endorsement of the guarantee or provision of the collateral balance and its purpose: Table 2.
- Note 4: The highest balance, ending balance, interest rate range and current interest of the financial: Table 1.
- Note 5: Other transactions that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services: Taiwan Union Technology Corporation provided technical remuneration to Taiwan Union (Changshu) Corporation and Taiwan Union (Zhongshan) Corporation for a royalty income of \$66,282 thousand and \$61,194 thousand, respectively.

TABLE 8

TAIWAN UNION TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Accounts	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Taiwan Union Technology Corporation	TUCC	1	Sales of goods	\$ 102,531	It is similar with those offered to third parties.	2
				Royalty income	66,282	Technical royalty that TUCC paid to Taiwan Union Technology Corporation	1
				Trade receivables	78,497	It is similar with those offered to third parties.	-
		TUCZ	1	Sales of goods	89,689	It is similar with those offered to third parties.	1
				Royalty income	61,194	Technical royalty that TUCZ paid to Taiwan Union Technology Corporation	1
				Trade receivables	67,150	It is similar with those offered to third parties.	-
		Taiwan Union Technology (Thailand) Co., Ltd.	1	Other receivables	984,200	The interest rate ranges from 1.9% to 2.4%.	4
				Other receivables	1,831	Guarantee fee rate of 0.25%.	-
1	Taiwan Union (Changshu) Corporation	TUCZ	3	Sales of goods	104,327	It is similar with those offered to third parties.	2
				Trade receivables	94,565	It is similar with those offered to third parties.	-

Note 1: The parent company and its subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries: 1 onward.

Note 2: Nature of relationship is indicated as follows:

- a. Transactions from the parent company to a subsidiary: 1.
- b. Transactions from a subsidiary to the parent company: 2.
- c. Transactions between subsidiaries: 3.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage of the consolidated total assets as of March 31. For profit or loss items, cumulative amounts are shown as a percentage of the consolidated total operating revenue for the three months ended March 31.

Note 4: The important transaction of this form may be determined by the company according to the principle of materiality.