YC Inox Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
YC Inox Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of YC Inox Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Done-Yuin Tseng and Shu-Chin Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2024

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.

YC INOX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
CURRENT ASSETS						
Cash (Note 6)	$ 616,220	3	$ 688,845	4	$ 869,552	4
Financial assets at fair value through profit or loss - current (Note 7)	182,500	1	198,000	1	266,143	1
Notes receivable (Notes 20 and 27)	60,404	-	74,675	-	44,903	-
Trade receivables (Notes 9, 20 and 27)	897,474	5	902,158	5	1,046,837	5
Other receivables	165,482	1	516,051	3	463,997	2
Inventories (Note 10)	4,326,112	22	4,075,158	22	5,481,618	26
Prepayments	1,924,019	10	1,186,159	7	1,543,873	8
Other current assets (Note 28)	4,107	-	3,116	-	17,637	-
Total current assets	8,176,318	42	7,644,162	42	9,734,560	46
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,973,327	10	1,865,234	10	3,067,449	15
Property, plant and equipment (Note 12)	7,388,228	38	6,906,175	38	6,706,682	32
Right-of-use assets (Note 13)	12,469	-	10,548	-	14,021	-
Computer software (Note 14)	6,786	-	7,944	-	10,670	-
Deferred tax assets (Notes 4 and 22)	413,612	2	467,954	2	245,223	1
Prepayments for equipment	1,103,470	6	1,068,459	6	897,756	4
Other non-current assets	370,723	2	343,913	2	358,192	2
Total non-current assets	11,268,615	58	10,670,227	58	11,299,993	54
TOTAL	$ 19,444,933	100	$ 18,314,389	100	$ 21,034,553	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ 6,052,341	31	$ 5,751,078	31	$ 5,943,024	28
Contract liabilities - current (Note 20)	388,794	2	432,997	2	517,035	3
Notes payable	398	-	494	-	451	-
Trade payables	273,337	2	116,005	1	95,939	-
Other payables (Note 17)	239,418	1	273,323	1	401,099	2
Current tax liabilities (Notes 4 and 22)	118,335	1	119,823	1	324,610	2
Lease liabilities - current (Note 13)	5,610	-	6,236	-	6,891	-
Current portion of long-term borrowings (Note 15)	600,000	3	471,429	3	242,857	1
Other current liabilities	30,514	-	38,349	-	35,043	-
Total current liabilities	7,708,747	40	7,209,734	39	7,566,949	36
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 16)	-	-	-	-	74	-
Bonds payable (Note 16)	223,852	1	228,240	2	719,832	4
Long-term borrowings (Note 15)	1,833,333	10	1,844,048	10	1,771,429	8
Deferred tax liabilities (Notes 4 and 22)	57,753	-	2,614	-	18,898	-
Lease liabilities - non-current (Note 13)	5,430	-	3,755	-	6,278	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	40,219	-	41,284	-	50,117	-
Guarantee deposits received	38,653	-	34,545	-	30,463	-
Total non-current liabilities	2,199,240	11	2,154,486	12	2,597,091	12
Total liabilities	9,907,987	51	9,364,220	51	10,164,040	48
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	4,700,024	24	4,475,783	25	4,453,799	21
Registered capital (pending change)	2,232	-	224,241	1	20,466	-
Capital surplus	2,305,264	12	2,302,582	13	2,031,732	10
Retained earnings						
Legal reserve	1,346,931	7	1,346,931	7	1,292,961	6
Unappropriated earnings	182,337	1	133,890	1	1,115,771	6
Other equity	1,000,158	5	466,742	2	1,955,784	9
Total equity	9,536,946	49	8,950,169	49	10,870,513	52
TOTAL	$ 19,444,933	100	$ 18,314,389	100	$ 21,034,553	100

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

YC INOX CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 20 and 27)	$ 3,099,017	100	$ 3,892,879	100
OPERATING COSTS (Notes 10 and 21)	2,654,081	86	3,602,399	92
GROSS PROFIT	444,936	14	290,480	8
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	136,065	4	111,021	3
General and administrative expenses	88,483	3	73,927	2
Total operating expenses	224,548	7	184,948	5
INCOME FROM OPERATIONS	220,388	7	105,532	3
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 21)	(40,807)	(1)	(33,580)	(1)
Interest income	2,612	-	1,004	-
Other gains and losses, net (Notes 21 and 27)	(226,119)	(7)	(47,095)	(1)
Foreign exchange gain, net (Note 30)	108,469	4	39,694	1
(Loss) gain on fair value changes of financial instruments at fair value through profit or loss	(15,500)	(1)	18,294	-
(Loss) gain on disposal of property, plant and equipment	(273)	-	489	-
Total non-operating income and expenses	(171,618)	(5)	(21,194)	(1)
INCOME BEFORE INCOME TAX	48,770	2	84,338	2
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 22)	323	-	(9,179)	-
NET PROFIT	48,447	2	93,517	2
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	$ 108,093	3	$ 60,848	2
Income tax related to items that will not be reclassified subsequently to profit or loss	(1,511)	-	-	-
	106,582	3	60,848	2

(Continued)

YC INOX CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 533,542	17	$ 315,994	8
Income tax related to items that may be reclassified subsequently to profit or loss	(106,708)	(3)	(63,199)	(2)
	426,834	14	252,795	6
Other comprehensive income for the period, net of income tax	533,416	17	313,643	8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 581,863	19	$ 407,160	10
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.10		$ 0.21	
Diluted	$ 0.10		$ 0.20	

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

YC INOX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 19)			Retained Earnings (Note 19)		Other Equity		
	Capital Stock Ordinary Shares	Registered Capital Pending Change	Capital Surplus (Note 19)	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2023	$ 4,453,799	$ -	$ 2,005,108	$ 1,292,961	$ 1,022,254	$ (187,660)	$ 1,829,801	$ 10,416,263
Net profit for the three months ended March 31, 2023	-	-	-	-	93,517	-	-	93,517
Other comprehensive income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	252,795	60,848	313,643
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	93,517	252,795	60,848	407,160
Convertible bonds converted to ordinary shares	-	20,466	26,624	-	-	-	-	47,090
BALANCE AT MARCH 31, 2023	$ 4,453,799	$ 20,466	$ 2,031,732	$ 1,292,961	$ 1,115,771	$ 65,135	$ 1,890,649	$ 10,870,513
BALANCE AT JANUARY 1, 2024	$ 4,475,783	$ 224,241	$ 2,302,582	$ 1,346,931	$ 133,890	$ (221,691)	$ 688,433	$ 8,950,169
Net profit for the three months ended March 31, 2024	-	-	-	-	48,447	-	-	48,447
Other comprehensive for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	426,834	106,582	533,416
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	48,447	426,834	106,582	581,863
Convertible bonds converted to ordinary shares	224,241	(222,009)	2,682	-	-	-	-	4,914
BALANCE AT MARCH 31, 2024	$ 4,700,024	$ 2,232	$ 2,305,264	$ 1,346,931	$ 182,337	$ 205,143	$ 795,015	$ 9,536,946

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

YC INOX CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 48,770	$ 84,338
Adjustments for:		
Depreciation expense	90,901	89,977
Amortization expense	1,397	1,332
Loss (gain) on financial instruments at fair value through profit or loss, net	15,500	(18,294)
Finance costs	40,807	33,580
Interest income	(2,612)	(1,004)
(Gain) loss on disposal of property, plant and equipment	273	(489)
Reversal of write-down of inventories	(235,414)	(134,650)
Gain on unrealized foreign currency exchange, net	(35,089)	(31,219)
Loss on lease modification	164	-
Effect of hyperinflation	235,544	47,537
Changes in operating assets and liabilities:		
Notes receivable	14,260	43,219
Trade receivables	8,544	(205,056)
Other receivables	360,245	(186,274)
Inventories	(70,104)	(210,321)
Prepayments	(658,038)	(190,662)
Other current assets	(1,189)	(12,012)
Contract liabilities	(43,514)	110,081
Notes payable	(96)	(105)
Trade payables	156,989	(96,106)
Other payables	(1,798)	(21,146)
Other current liabilities	(6,774)	(12,623)
Net defined benefit liabilities	(1,065)	(1,031)
Cash used in operations	(82,299)	(710,928)
Interest received	2,612	1,004
Interest paid	(37,247)	(29,860)
Income tax received	334	15,361
Net cash used in operating activities	(116,600)	(724,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(246,840)	(272,950)
Proceeds from disposal of property, plant and equipment	10,733	7,762
(Decrease) increase in refundable deposits	(239)	1,589
Acquisition of computer software	(338)	(3,415)
Increase in prepayments for equipment	(116,889)	(153,393)
Net cash used in investing activities	(353,573)	(420,407)

(Continued)

YC INOX CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 5,688,734	$ 4,727,533
Repayments of short-term borrowings	(5,387,478)	(3,608,625)
Proceeds from long-term borrowings	200,000	-
Repayments of long-term borrowings	(82,144)	(28,571)
Increase in guarantee deposits received	4,108	78
Repayments of the principal portion of lease liabilities	(4,190)	(2,730)
Net cash generated from financing activities	419,030	1,087,685
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	(21,482)	(24,510)
NET DECREASE IN CASH	(72,625)	(81,655)
CASH AT THE BEGINNING OF THE PERIOD	688,845	951,207
CASH AT THE END OF THE PERIOD	$ 616,220	$ 869,552

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

1. GENERAL INFORMATION

YC Inox Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in January 1973. The Company is mainly engaged in the production, processing and sale of stainless steel pipes, stainless steel sheets and coils, agency services and international trading of stainless steel products.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since September 2001.

The consolidated financial statements of 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 6, 2024.

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 Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. 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 1)
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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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 the 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). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. 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.

See Note 11 and Table 7 for the detailed information on subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and noncurrent assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

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

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2023.

6. CASH

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 1,472	$ 1,517	$ 985
Checking accounts and demand deposits	614,748	687,328	868,567
	$ 616,220	$ 688,845	$ 869,552

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Financial assets mandatorily measured at FVTPL			
Domestic listed shares	$ 182,500	$ 198,000	$ 266,143

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON - CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in equity instruments			
Foreign investments			
Unlisted shares	$ 289,153	$ 277,645	$ 277,645
Domestic investments			
Emerging market shares	1,684,174	1,587,589	2,789,804
	$ 1,973,327	$ 1,865,234	$ 3,067,449

These investments in equity instruments are held for 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.

9. TRADE RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
At amortized cost			
Gross carrying amount	$ 862,517	$ 880,613	$ 999,622
Less: Allowance for impairment loss	(2,242)	(2,242)	(2,242)
	860,275	878,371	997,380
At FVTOCI	37,199	23,787	49,457
	$ 897,474	$ 902,158	$ 1,046,837

a. At amortized cost

The credit period of sales of goods is 30 to 150 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

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 year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk has been 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 the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted GDP and direction of economic conditions at the reporting date. As the Group's historical credit loss experience did not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The loss allowance of trade receivables of the Group was as follows:

	Not Past Due	Past Due 1-60 Days	Past Due 61-120 Days	Past Due 121-180 Days	Past Due More than 181 Days	Total
March 31, 2024						
Expected credit loss rate (%)	0	0-5.26	5.00-9.52	11.88-12.42	100	
Gross carrying amount	$ 807,510	$ 55,005	$ -	$ 2	$ -	$ 862,517
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 807,510	$ 52,763	$ -	$ 2	$ -	$ 860,275
December 31, 2023						
Expected credit loss rate (%)	0	6.75-17.31	13.71-17.86	16.23-16.96	100	
Gross carrying amount	$ 815,887	$ 64,724	$ 2	$ -	$ -	$ 880,613
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 815,887	$ 62,482	$ 2	$ -	$ -	$ 878,371
March 31, 2023						
Expected credit loss rate (%)	0	0-16.73	9.58-15.67	14.77-15.21	100	
Gross carrying amount	$ 951,516	$ 48,093	$ -	$ 13	$ -	$ 999,622
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 951,516	$ 45,851	$ -	$ 13	$ -	$ 997,380

b. At FVTOCI

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 contractual cash flows and selling financial assets.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had no overdue trade receivables, and no impairment loss was recognized within the respective aging ranges.

Refer to Note 26 for details of the factoring for trade receivables.

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$ 1,634,420	$ 1,434,565	$ 2,052,382
Work in progress	146,178	107,113	136,683
Semi-finished goods	410,956	373,650	419,068
Finished goods	2,117,770	2,145,570	2,860,377
Merchandise	16,788	14,260	13,108
	$ 4,326,112	$ 4,075,158	$ 5,481,618

For the three months ended March 31, 2024 and 2023, the operating costs related to inventory were $2,651,865 thousand and $3,600,140 thousand, respectively, and the cost of goods sold included the reversal of write-down of inventory of $235,414 thousand and $134,650 thousand, respectively. Inventory write-downs were reversed as a result of increased selling prices of raw materials.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

		% of Ownership		
Investor	Investee	March 31, 2024	December 31, 2023	March 31, 2023
The Company	Chi Mao Investment Co., Ltd. (Chi Mao Company)	100	100	100
	YC INOX TR CELIK SANAYI VE TICARET A.S. (YC INOX TR Company)	100	100	100

For the nature of activities of the subsidiaries listed above, refer to Table 7.

The Company has been planning to increase the investment in YC INOX TR Company by TRY900,000 thousand, which was approved by the Company's board of directors in May 2023, and subsequently invested $430,360 thousand, $314,200 thousand and $161,550 thousand, equivalent to TRY272,646 thousand, TRY269,329 thousand and TRY142,913 thousand in May 2023, August 2023 and November 2023, respectively. The remaining investments were remitted from Taiwan in January 2024 amounting to $221,464 thousand equivalent to TRY215,112 thousand. The aforementioned investments were approved by the MOEA.

12. PROPERTY, PLANT AND EQUIPMENT

	For the Three Months Ended March 31, 2024					
	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Beginning balance January 1, 2024	$ 2,324,074	$ 2,528,039	$ 3,695,862	$ 1,273,082	$ 493,941	$ 10,314,998
Additions	-	4,258	21,241	19,976	179,848	225,323
Disposals	-	-	(311)	(18,593)	-	(18,904)
Reclassification	-	-	72,436	2,622	(29,866)	45,192
Effects of foreign currency exchange differences and inflation adjustments	27,939	89,420	162,280	5,846	54,112	339,597
Ending balance March 31, 2024	$ 2,352,013	$ 2,621,717	$ 3,951,508	$ 1,282,933	$ 698,035	$ 10,906,206
Accumulated depreciation						
Beginning balance January 1, 2024	$ -	$ 745,636	$ 2,076,156	$ 587,031	$ -	$ 3,408,823
Additions	-	21,865	42,007	25,054	-	88,926
Disposals	-	-	(244)	(7,654)	-	(7,898)
Effects of foreign currency exchange differences and inflation adjustments	-	5,082	20,369	2,676	-	28,127
Ending balance March 31, 2024	$ -	$ 772,583	$ 2,138,288	$ 607,107	$ -	$ 3,517,978
Ending carrying amount	$ 2,352,013	$ 1,849,134	$ 1,813,220	$ 675,826	$ 698,035	$ 7,388,228

	For the Three Months Ended March 31, 2023					
	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Beginning balance January 1, 2023	$ 2,318,756	$ 1,497,060	$ 3,185,073	$ 1,229,703	$ 886,641	$ 9,117,233
Additions	-	2,628	52,284	29,501	106,694	191,107
Disposals	-	-	(355)	(22,561)	-	(22,916)
Reclassification	-	559,798	100,244	13,260	(557,755)	115,547
Effects of foreign currency exchange differences and inflation adjustments	2,131	425,992	306,178	11,182	(267,735)	477,748
Ending balance March 31, 2023	$ 2,320,887	$ 2,485,478	$ 3,643,424	$ 1,261,085	$ 167,845	$ 9,878,719
Accumulated depreciation						
Beginning balance January 1, 2023	$ -	$ 654,788	$ 1,888,623	$ 530,317	$ -	$ 3,073,728
Additions	-	20,460	42,953	24,862	-	88,275
Disposals	-	-	(351)	(15,292)	-	(15,643)
Effects of foreign currency exchange differences and inflation adjustments	-	1,997	22,110	1,570	-	25,677
Ending balance March 31, 2023	$ -	$ 677,245	$ 1,953,335	$ 541,457	$ -	$ 3,172,037
Ending carrying amount	$ 2,320,887	$ 1,808,233	$ 1,690,089	$ 719,628	$ 167,845	$ 6,706,682

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Office buildings	20-35 years
Plants	10-20 years
Machinery and equipment	3-20 years
Other equipment	3-50 years

Farmland held by the Company which is situated in No.1357 and 1359 (2,034 square meters) of Xinmei Section, Shijou Township, Chang-Hwa County and No.115 (171 square meters), No.115-1 and 115-2 (3,218 square meters), and No.116(120 square meters) situated in Xinguan Section., Puoshing Township, Chang-Hwa County were designated as parking lots, finished goods storage and loading areas. As registration for the transfer of ownership rights cannot currently be implemented in accordance with the law, all farmland was registered under the name of Chairman Chang, Chin-Yu, and all 6 lots of land were mortgaged to the Company for a total of $40,000 thousand.

Furthermore, in September 2023, the Company acquired farmland located at No.1368 (6,148 square meters) of Xinmei Section, Shijou Township, Chang-Hwa County for a contract price of $17,272 thousand. This land is currently being used as parking lots. As registration for the transfer of ownership rights cannot currently be implemented in accordance with the law, the property is currently being registered under the name of Chairman Chang, Chin-Yu. The Company has secured a mortgage on the aforementioned land for a total consideration of $30 million.

No impairment assessment was performed for the three months ended March 31, 2024 and 2023 as there was no indication of impairment.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Right-of-use assets carrying amount			
Land	$ 2,213	$ 2,295	$ 2,541
Buildings	300	400	700
Transportation equipment	8,737	5,902	6,634
Other equipment	1,219	1,951	4,146
	$ 12,469	$ 10,548	$ 14,021

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	$ 4,548	$ 1,118
Depreciation of right-of-use assets		
Land	$ 82	$ 82
Buildings	100	100
Transportation equipment	1,061	788
Other equipment	732	732
	$ 1,975	$ 1,702

The Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities carrying amount			
Current	$ 5,610	$ 6,236	$ 6,891
Non-current	5,430	3,755	6,278
	$ 11,040	$ 9,991	$ 13,169

Discount rates for lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	2.20%	2.20%	2.20%
Buildings	1.15%	1.15%	1.15%
Transportation equipment	16.50%-48.00%	16.50%-28.00%	16.50%-28.00%
Other equipment	2.60%	2.60%	2.60%

c. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	$ -	$ 862
Expenses relating to low value asset leases	$ 197	$ 143
Total cash outflow for leases	$ 4,387	$ 3,735

The Group leases of certain buildings qualify as short-term leases, and leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption for these leases and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

d. Material leasing activities and terms (the Group is lessee)

The Group leases certain land, buildings, transportation equipment and other equipment for operating uses with lease terms of 2 to 9 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings, transportation equipment and other equipment at the end of the lease terms.

14. COMPUTER SOFTWARE

	For the Three Months Ended March 31, 2024				
	Beginning Balance	Additions	Disposals	Effects of Foreign Currency Exchange Differences and Inflation Adjustments	Ending Balance
Cost	$ 19,544	$ 338	$ -	$ (216)	$ 19,666
Accumulated amortization	11,600	$ 1,397	$ -	$ (117)	12,880
	$ 7,944				$ 6,786

	For the Three Months Ended March 31, 2023				
	Beginning Balance	Additions	Disposals	Effects of Foreign Currency Exchange Differences and Inflation Adjustments	Ending Balance
Cost	$ 14,840	$ 3,415	$ -	$ (48)	$ 18,207
Accumulated amortization	6,243	$ 1,332	$ -	$ (38)	7,537
	$ 8,597				$ 10,670

Computer software of the group are amortized on a straight-line basis over their estimated useful lives of 1-5 years.

15. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Letter of credit borrowings and export bills	$ 1,682,341	$ 2,181,078	$ 2,573,024
Line of credit borrowings	4,370,000	3,570,000	3,370,000
	$ 6,052,341	$ 5,751,078	$ 5,943,024
Annual interest rate range (%)			
Letter of credit borrowings and export bills	1.76-6.75	1.75-1.83	1.64-6.19
Line of credit borrowings	1.53-2.33	1.53-2.33	1.39-2.25

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Line of credit borrowings	$ 2,433,333	$ 2,315,477	$ 2,014,286
Less: Current portion	(600,000)	(471,429)	(242,857)
Long-term borrowings	$ 1,833,333	$ 1,844,048	$ 1,771,429
Annual interest rate range (%)	1.68-1.82	1.66-1.74	1.55-1.66

The line of credit borrowings of the Group will be repaid in New Taiwan dollars. The borrowings are repayable in installments or paid in one lump sum upon maturity at varying amounts from April 2024 to March 2029.

16. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
3rd domestic unsecured convertible bonds	$ 223,852	$ 228,240	$ 719,832

On December 15, 2020, the Company issued 5-year, 0% NTD-denominated unsecured convertible bonds in Taiwan for $1,000,000 thousand, and the maturity date of the bonds is December 15, 2025. Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $26.5, which shall be later adjusted in accordance with the formula started in the Anti-dilution provisions of the "Rules and conditions of issuance and conversion of the 3rd domestic unsecured corporate bonds" (as of March 31, 2024, the conversion price has been adjusted to $22.4). Three months from the date of issuance of the convertible bonds (March 16, 2021) to 40 days before the maturity date (November 5, 2025), if the closing share price of the Company exceeds 30% of the prevailing conversion price for 30 consecutive business days or the outstanding balance falls lower than 10% of the original total issuance amount, the Company may redeem the bonds in cash at face value. In addition, holders may request to sell the bonds they hold back to the Company at any time within 30 days before the expiry of the third year from the date of issuance (December 15, 2023).

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 0.93% per annum on initial recognition.

As of March 31, 2024, the face value of the bonds payable converted by the holders was $772,600 thousand.

Changes in the master contract of the debt and sell-back rights of derivatives (recognized as financial liabilities at FVTPL - non-current) are as follows:

	Debt Instrument for Master Contracts	
	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 228,240	$ 765,149
Amortization of discount this period	526	1,773
Converted into ordinary shares this period	(4,914)	(47,090)
Balance at March 31	$ 223,852	$ 719,832

Derivative instruments - put options (financial liabilities)	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ -	$ 236
Changes in fair value for current period	-	(162)
Balance at March 31	$ -	$ 74

17. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payables for salaries and bonuses	$ 66,174	$ 91,513	$ 67,994
Payables for acquisition of equipment	56,730	79,459	165,084
Payables for profit sharing bonus of employees and remuneration of directors	4,333	-	50,520
Payables for commission	2,384	2,761	2,497
Others	109,797	99,590	115,004
	$ 239,418	$ 273,323	$ 401,099

18. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were $161 thousand and $196 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

19. EQUITY

a. Capital stock

	March 31, 2024	December 31, 2023	March 31, 2023
Authorized shares (in thousands of shares)	660,000	660,000	660,000
Authorized capital	$ 6,600,000	$ 6,600,000	$ 6,600,000
Issued and paid shares (in thousands of shares)	470,002	447,578	445,380
Issued capital	$ 4,700,024	$ 4,475,783	$ 4,453,799
Registered capital (pending change)	$ 2,232	$ 224,241	$ 20,466

The issued share has a par value of NT$10 per share and is entitled to one vote and the right to receive dividends.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to capital			
Additional paid-in capital	$ 1,466,300	$ 1,466,300	$ 1,466,300
Issurance of conversion bonds	824,421	821,535	529,994
Interest premium payable on convertible bonds	5,239	5,239	5,239
May not be used for any purpose			
Share warrants of convertible bonds	9,304	9,508	30,199
	$ 2,305,264	$ 2,302,582	$ 2,031,732

The capital surplus generated from the excess of the issuance price over the par value of capital stock, the conversion of bonds and interest premium payable on convertible bonds 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 dividend policy

Under the dividend policy as set forth in the amended articles of incorporation, 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 legal reserve 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 stockholders' meeting for the distribution of dividends and bonuses to stockholders. For the policies on the distribution of profit-sharing bouns of employees and remuneration of directors, refer to Note 21.

In line with the current and future development plans, the Company's dividend policy stipulates that at least 50% of the accumulated unappropriated earnings should be distributed as dividends to shareholders, taking into consideration the investment environment, funding needs, and foreign and domestic competition. However, when the dividend is less than 0.5 dollars per share, the Company reserves the right to not distribute any dividends. Since the Company belongs to the traditional industry, and current operations have entered a mature and stable phase, cash dividends should take precedence over share dividends. In the case of distribution of share dividends, the amount of cash dividends distributed should not be lower than 20% of the total dividends distributed.

The legal reserve may be used to offset deficit. 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.

When the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if the undistributed surplus in the previous period is insufficient to allocate, the post-tax income plus items other than the after-tax net income of the current period will be added to the undistributed surplus of the current period for the allocation.

The appropriations of earnings for 2023 and 2022, which were proposed by the board of directors in March 2024 and approved in the shareholders' meetings in June 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Legal reserve appropriated	$ -	$ 53,970		
Cash dividends	-	669,309	$ -	$ 1.5

The Company's board of directors also proposed to distribute cash dividends of $1 per share from the capital surplus in the board of directors' meeting on March 8, 2024, for a total of $470,002 thousand.

The loss appropriation will be resolved by the shareholders in their meeting to be held in June 2024.

20. NET REVENUE

	For the Three Months Ended March 31	
	2024	**2023**
Revenue from contracts with customers		
Revenue from the sale of goods	$ 3,092,477	$ 3,886,181
Other operating revenue		
Revenue from the sale of electricity	6,539	6,698
	$ 3,099,016	$ 3,892,879

Contract balance

	March 31, 2024	**December 31, 2023**	**March 31, 2023**	**January 1, 2023**
Notes and trade receivables	$ 957,878	$ 976,833	$1,091,740	$ 929,547
Contract liabilities				
Sale of goods	$ 388,794	$ 432,997	$ 517,035	$ 407,896

21. NET PROFIT

a. Finance costs

	For the Three Months Ended March 31	
	2024	**2023**
Interest on borrowings	$ 36,632	$ 31,269
Interest on lease liabilities	1,330	538
Interest on bonds payable	526	1,773
Others	2,319	-
	$ 40,807	$ 33,580

b. Other gains and losses

	For the Three Months Ended March 31	
	2024	**2023**
Rental income	$ 8	$ 8
Others	9,417	434
Loss on hyperinflation (e)	(235,544)	(47,537)
	$ (226,119)	$ (47,095)

c. Employee benefits expense, depreciation expense and amortization expense

	For the Three Months Ended March 31					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expense	$ 153,269	$ 52,405	$ 205,674	$ 135,283	$ 48,662	$ 183,945
Post-employment benefits						
Defined contribution plans	6,333	2,170	8,503	5,493	1,894	7,387
Defined benefit plans	104	57	161	123	73	196
Remuneration of directors	-	1,813	1,813	-	2,558	2,558
Labor and health insurance expense	15,638	4,723	20,361	14,355	4,737	19,092
Other employee benefits	13,187	2,889	16,076	13,819	2,578	16,397
Depreciation expense	79,582	11,319	90,901	79,156	10,821	89,977
Amortization expense	152	1,245	1,397	148	1,184	1,332

d. Profit sharing bonus of employees and remuneration of directors

According to the provisions of the Articles of Incorporation, when the Company has a profit in the year, it should accrue employees' profit-sharing and directors' compensation at rates of 2%-6% and no higher than 2%, respectively, of net income before income tax. The profit-sharing bonuses of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were estimated as follows:

	For the Three Months Ended March 31			
	2024		2023	
	Accrual Rate	Amount	Accrual Rate	Amount
Profit sharing bonus of employees	5%	$ 3,095	5%	$ 5,372
Remuneration of directors	2%	1,238	2%	2,148

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The Company incurred a loss for the fiscal year 2023; therefore, in accordance with the articles of association, it is not proposed to provide for employee and director remuneration. The appropriations of employees' compensation and remuneration of directors and supervisors for 2022 that were resolved by the board of directors in March 2023 are as shown below:

	For the Year Ended December 31	
	2022	
	Accrual Rate	Amount
Profit sharing bonus of employees	4%	$ 30,000
Remuneration of directors	2%	13,000

There is no difference between the actual amounts of employees' profit-sharing and directors' compensation paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

e. Loss on hyperinflation

Following the categorization of Turkey with reference to the statistical indices from IMFDATA published by the International Monetary Fund as a country with a three-year cumulative inflation rate exceeding 100%, Turkey fulfills the requirements to be designated as a hyperinflationary economy under IAS 29. Furthermore, according to Turkish Statistical Institute estimates, Turkey's annural consumer price index was 795.41%, 692.75% and 475.88% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, with an annualized volatility of approximately 14.82% and 10.04%. Therefore, the Group has applied hyperinflationary accounting for Turkish subsidiaries whose financial statements have been measured in terms of the current unit of measurement for the three months ended March 31, 2024 and 2023, resulting in losses of $235,544 thousand and $47,537 thousand on the net monetary position included in profit or loss.

22. INCOME TAXES EXPENSE

a. Major components of income tax expense (benefit) recognized in profit or loss

	For the Three Months Ended March 31	
	2024	**2023**
Current tax		
In respect of the current period	$ 5,982	$ (2,110)
Adjustments for prior years	(6,353)	(16,029)
	(371)	(18,139)
Deferred tax		
In respect of the current period	694	8,960
Income tax (benefit) expense recognized in profit or loss	$ 323	$ (9,179)

b. Income tax assessments

The tax returns through 2022 of the Company and Chi Mao Company have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	Net Profit Attributable to Owners of the Company	**Number of Shares (In Thousands)**	**Earnings Per Share (NT$)**
For the Three Months Ended March 31, 2024			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 48,447	470,223	$0.10
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	123	
Convertible bonds	421	10,152	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 48,868	480,498	$0.10

	Net Profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Three Months Ended March 31, 2023			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 93,517	446,035	$0.21
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	913	
Convertible bonds	1,289	33,322	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 94,806	480,270	$0.20

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that 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.

24. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the financial statements of cash flows for the three months ended March 31, 2024 and 2023:

The amount of cash paid for the acquisition of property, plant and equipment during the three months ended March 31, 2024 and 2023, respectively, was as follows:

	For the Three Months Ended March 31	
	2024	2023
Purchase of property, plant and equipment	$ 225,323	$ 191,107
Net changes in payables for acquisition of equipment	22,729	89,129
Foreign exchange movements and inflation adjustments	(1,212)	(7,286)
Cash payments for property, plant and equipment	$ 246,840	$ 272,950

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2024

			Non-cash Changes					
	Beginning Balance	Cash Flows	Exercise of Conversion Option	Discount Amortization	Increasing in Leasing	Amortized Finance Costs	Change in Exchange Rate and Effect of Inflation	Ending Balance
Short-term bank borrowings	$ 5,751,078	$ 301,256	$ -	$ -	$ -	$ -	$ 7	$ 6,052,341
Bonds payable	228,240	-	(4,914)	526	-	-	-	223,852
Long-term bank borrowings (including current portion)	2,315,477	117,856	-	-	-	-	-	2,433,333
Guarantee deposits received	34,545	4,108	-	-	-	-	-	38,653
Lease liabilities	9,991	(4,190)	-	-	4,548	1,330	(639)	11,040
	$ 8,339,331	$ 419,030	$ (4,914)	$ 526	$ 4,548	$ 1,330	$ (632)	$ 8,759,219

For the three months ended March 31, 2023

			Non-cash Changes					
	Beginning Balance	Cash Flows	Exercise of Conversion Option	Discount Amortization	New Lease	Amortized Interest Expense	Change in Exchange Rate	Ending Balance
Short-term bank borrowings	$ 4,824,074	$ 1,118,908	$ -	$ -	$ -	$ -	$ 42	$ 5,943,024
Bonds payable	765,149	-	(47,090)	1,773	-	-	-	719,832
Long-term bank borrowings (including current portion)	2,042,857	(28,571)	-	-	-	-	-	2,014,286
Guarantee deposits received	30,385	78	-	-	-	-	-	30,463
Lease liabilities	14,464	(2,730)	-	-	1,118	538	(221)	13,169
	$ 7,676,929	$ 1,087,685	$ (47,090)	$ 1,773	$ 1,118	$ 538	$ (179)	$ 8,720,774

25. CAPITAL MANAGEMENT

The capital risk management objective, policies and procedures of the Group, as well as the capital structure of the Group remain consistent with the consolidated financial statements for the year ended December 31, 2023.

26. FINANCIAL INSTRUMENTS

a. Fair value

1) Fair value of financial instruments not measured at fair value

Management of the Group consider the carrying amounts of the Group's financial instruments that are not measured at fair value as close to their fair values or their fair values could not be reasonably measured.

2) Fair value of financial instruments measured at fair value on a recurring basis

a) Fair Value Hierarchy

The following analysis details the measurement of financial instruments since initial recognition. 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.

	Level 1	Level 2	Level 3	Total
March 31, 2024				
Financial assets at FVTPL				
Domestic listed shares	$ 182,500	$ -	$ -	$ 182,500
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic and foreign unlisted shares and emerging-market shares	1,684,174	-	289,153	1,973,327
Investments in debt instruments				
Trade receivables	-	-	37,199	37,199
	$ 1,866,674	$ -	$ 326,352	$ 2,193,026
December 31, 2023				
Financial assets at FVTPL				
Domestic listed shares	$ 198,000	$ -	$ -	$ 198,000
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic and foreign unlisted shares and emerging-market shares	1,587,589	-	277,645	1,865,234
Investments in debt instruments				
Trade receivables	-	-	23,787	23,787
	$ 1,785,589	$ -	$ 301,432	$ 2,087,021
March 31, 2023				
Financial assets at FVTPL				
Domestic listed shares	$ 266,143	$ -	$ -	$ 266,143
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic and foreign unlisted shares and emerging-market shares	2,789,804	-	277,645	3,067,449
Investment in debt instrument				
Trade receivables	-	-	49,457	49,457
	$ 3,055,947	$ -	$ 327,102	$ 3,383,049
Financial liabilities at FVTPL				
Derivatives	$ -	$ -	$ 74	$ 74

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI: Equity Instruments	Financial Assets at FVTOCI: Debt Instruments	Total
Balance at January 1, 2024	$ 277,645	$ 23,787	$ 301,432
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	11,508	-	11,508
Net increase in trade receivables	-	13,412	13,412
Balance at March 31, 2024	$ 289,153	$ 37,199	$ 326,352

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTOCI: Equity Instruments	Financial Assets at FVTOCI: Debt Instruments	Total
Balance at January 1, 2023	$ 277,645	$ 12,047	$ 289,692
Net increase in trade receivables	-	37,410	37,410
Balance at March 31, 2023	$ 277,645	$ 49,457	$ 327,102

Financial Liabilities at FVTPL	For the Three Months Ended March 31: 2024	2023
Derivatives		
Balance at January 1	$ -	$ 236
Recognized in profit or loss (included in other gains and losses)	-	(162)
Balance at March 31	$ -	$ 74

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

Financial Instrument	Valuation Technique and Inputs
Foreign unlisted shares in equity instruments	Discounted cash flow: Consideration of long-term revenue growth rate, long-term pre-tax operating profit margin, weighted average cost of capital (WACC), liquidity discount and other factors, and calculate the present value of expected returns from holding this investment. Market approach: In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments.

Financial Instrument	Valuation Technique and Inputs
Factored trade receivables	As the effect of discounting is not significant, the fair value is measured based on the original invoice amount.
Financial liabilities at FVTPL	The binomial tree evaluation model of convertible bonds: Consideration of the duration, the share price and volatility of the convertible bond object, conversion price, risk-free interest rate, discount rate, liquidity risk of the convertible bonds and other factors

b. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 182,500	$ 198,000	$ 266,143
Amortized cost	1,706,420	2,161,393	2,379,306
FVTOCI			
Equity instruments	1,973,327	1,865,234	3,067,449
Trade receivables	37,199	23,787	49,457
Financial liabilities			
Amortized cost	9,261,333	8,719,162	9,205,094
FVTPL			
Derivatives	-	-	74

The balances include financial assets at amortized cost, which comprise cash, notes receivable, trade receivables, other receivables, pledged time deposits (recognized as other current assets) and refundable deposits (recognized as other current assets).

The balances include financial liabilities at amortized cost, which comprise short-term and long-term bank borrowings (including current portion of long-term borrowings), notes payable, trade payables, other payables, bonds payable and guarantee deposits.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity, trade receivables, trade payables, borrowings, and lease liabilities. The Group's financial department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating 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.

The finance department reports quarterly to the management, an independent body that monitors risks and implements to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

The Group enters into foreign currency-denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the USD.

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

	Impact on profit or loss	
	For the Three Months Ended March 31	
	2024	2023
NTD/USD	$ 6,169	$ 10,759
TRY/USD	3,001	3,314

b) Interest rate risk

The Group was 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 appetites 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 period were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	$ 2,100	$ 2,100	$ 2,100
Financial liabilities	234,892	238,231	733,001
Cash flow interest rate risk			
Financial assets	399,809	436,232	554,790
Financial liabilities	8,485,674	8,066,555	7,957,310

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 0.1% increase or decrease in interest rates 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 0.1% higher or lower and all other variables were held constant, the Group's profit before income tax for the three months ended March 31, 2024 and 2023 would have changed by $2,021 thousand and $1,851 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risk levels.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the balance sheet date.

If equity prices been 1% higher or lower, pre-tax profit (loss) for the three months ended March 31, 2024 and 2023 would have changed by $1,825 thousand and $2,661 thousand, respectively.

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 balance sheet date, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to 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 uses other publicly available financial information and its own trading records to rate its major customers. The Group continuously monitors its exposure to credit risk and the credit ratings of its counterparties and allocates the total transaction amount among the creditworthy customers. The Group's management also controls credit risk by reviewing the credit limits of its counterparties on an annual basis.

The Group also continuously evaluates the financial status of the customers of the trade receivables, and purchases credit guarantee insurance contracts when necessary.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash 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.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amount of unused financing facilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Amount of unused bank financing facilities	$14,381,039	$13,891,555	$13,137,640

Liquidity and interest rate risk tables for non-derivative financial liabilities

As the Group has sufficient operating capital, there is no liquidity risk from inability to raise funds to satisfy performance obligations.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods.

	Less than 1 Year	1-5 Years	Total
March 31, 2024			
Non-interest bearing liabilities	$ 513,153	$ -	$ 513,153
Lease liabilities	6,649	5,554	12,203
Floating interest rate liabilities	6,652,341	1,833,333	8,485,674
Fixed interest rate liabilities	-	227,400	227,400
	$ 7,172,143	$ 2,066,287	$ 9,238,430
December 31, 2023			
Non-interest bearing liabilities	$ 389,822	$ -	$ 389,822
Lease liabilities	6,301	3,889	10,190
Floating interest rate liabilities	6,222,507	1,844,048	8,066,555
Fixed interest rate liabilities	-	232,400	232,400
	$ 6,618,630	$ 2,080,337	$ 8,698,967
March 31, 2023			
Non-interest bearing liabilities	$ 497,489	$ -	$ 497,489
Lease liabilities	7,556	6,454	14,010
Floating interest rate liabilities	6,185,881	1,771,429	7,957,310
Fixed interest rate liabilities	-	738,100	738,100
	$ 6,690,926	$ 2,515,983	$ 9,206,909

d. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the period were as follows:

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received Unused	Advances Received Used	Annual Interest Rates on Advances Received (Used)
For the three months ended March 31, 2024					
Fubon bank	$ 463,589 (USD 14,487)	$ 99,064 (USD 3,096)	$ 52,706 (USD 1,647)	$ 364,525 (USD 11,391)	2M TAFIX3 +0.25%
For the three months ended March 31, 2023					
Fubon bank	$ 414,777 (USD 13,622)	$ 322,224 (USD 10,582)	$ 280,746 (USD 9,220)	$ 92,553 (USD 3,040)	2M TAFIX3 +0.25%

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks (receivables factoring proceeds are classified as other receivables).

27. 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. Details of transactions between the Group and other related parties are disclosed below.

a. Categories of related parties

Related Party	Relationship with the Company
Tai Chyang Investment Co. Ltd.	Other related party
Chin Ying Fa Mechanical Ind. Co., Ltd.	Other related party

b. Sales revenue

	For the Three Months Ended March 31	
	2024	2023
Other related parties	$ 623	$ 805

The transactions with the related parties were conducted without significant differences.

c. Receivables from related parties

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	Other related parties	$ -	$ -	$ 260
Trade receivables	Other related parties	330	681	586
		$ 330	$ 681	$ 846

d. Other income

	For the Three Months Ended March 31	
	2024	2023
Other related parties	$ 8	$ 8

e. Remuneration of key management personnel

Remuneration of key management personnel was as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 8,159	$ 9,682
Post-employment benefits	71	96
	$ 8,230	$ 9,778

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for usage of natural gas and construction:

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged time deposits (classified as other current assets)	$ 2,100	$ 2,100	$ 2,100

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of March 31, 2024 and 2023 were as follows:

a. As of March 31, 2024, December 31, 2023 and March 31, 2023, unused letters of credit for purchases of raw materials amounted to $385,896 thousand, $140,437 thousand and $389,329 thousand, respectively.

b. As of March 31, 2024, December 31, 2023 and March 31, 2023, unpaid contracts for purchases of raw materials and equipment amounted to $1,996,794 thousand, $1,669,837 thousand and $2,990,735 thousand, respectively.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 20,960	32(USD/NTD)	$ 670,724
USD	10,491	32.29(USD/TRY)	336,001
Financial liabilities			
USD	1,681	32(USD/NTD)	53,802
USD	1,122	32.29(USD/TRY)	35,934

	December 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 36,416	30.705(USD/NTD)	$ 1,118,147
USD	13,759	29.44(USD/TRY)	422,869
Financial liabilities			
USD	51	30.705(USD/NTD)	1,560
USD	505	29.44(USD/TRY)	15,505

	March 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 37,535	30.45(USD/NTD)	$ 1,142,943
USD	15,349	19.15(USD/TRY)	467,122
Financial liabilities			
USD	2,202	30.45(USD/NTD)	67,051
USD	4,459	19.15(USD/TRY)	135,689

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currency	For the Three Months Ended March 31, 2024		For the Three Months Ended March 31, 2023	
	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1.0000 (NTD/NTD)	$ 50,725	1.0000 (NTD/NTD)	$ (2,095)
TRY	0.992 (TRY/NTD)	57,744	1.5895 (TRY/NTD)	41,789
		$ 108,469		$ 39,694

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (None)

10) Other: Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China (None)

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

32. 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 stainless steel tubes/pipes, stainless steel sheets/coils, and others.

Segment revenue and operating results

	For the Three Months Ended March 31			
	Segment Revenue		Segment Profit or Loss	
	2024	2023	2024	2023
Stainless steel tubes/pipes	$ 1,852,613	$ 2,192,393	$ 157,897	$ 44,380
Stainless steel sheets/coils	1,192,476	1,630,317	56,090	55,819
Others	53,928	70,169	6,401	5,333
Generated from continuing operating segment	$ 3,099,017	$ 3,892,879	220,388	105,532
Finance costs			(40,807)	(33,580)
Interest income			2,612	1,004
Other gains and losses, net			(226,119)	(47,095)
Net foreign exchange gain			108,469	39,694
(Loss) gain on financial instruments at FVTPL			(15,500)	18,294
(Loss) gain on disposal of property, plant and equipment			(273)	489
Profit before income tax			$ 48,770	$ 84,338

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for three months ended March 31, 2024 and 2023.

Segment profit represents the gains and losses earned by each segment excluding finance costs, interest income, net other gains and losses, net foreign exchange gains, net (loss) gain on financial instruments at FVTPL, (loss) gain on disposal of property, plant and equipment 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.

YC INOX CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
0	The Company	YC INOX TR Company	Other receivables-related party	Y	$ 1,600,000 (USD 50,000)	$ 1,600,000 (USD 50,000)	$ 480,000 (USD 15,000)	8%	Short-term financing	$ -	Operation	$ -	-	$ -	$ 1,907,389	$ 3,814,778	

Note 1: 0 represents the parent company.

Note 2: The financing limit for each borrower and aggregate financing limit are 20% and 40%, respectively, of the net assets of the Company.

Note 3: If the relevant figures in this table involve foreign currencies, they shall be converted into the New Taiwan dollar at the exchange rate on the balance sheet date.

YC INOX CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	The Company	YC INOX TR Company	Subsidiary	$ 1,907,389	$ 320,000 (USD 10,000)	$ 320,000 (USD 10,000)	$ -	$ -	3.36%	$ 3,814,778	Y	-	-	-

Note 1: 0 represents the parent company.

Note 2: The financing limit for each borrower and aggregate financing limit are 20% and 40%, respectively, of the net assets of the Company.

Note 3: If the relevant figures in this table involve foreign currencies, they shall be converted into the New Taiwan dollar at the exchange rate on the balance sheet date.

YC INOX CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars and Shares)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024			
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value
The Company	Ordinary Shares						
	Ta Chen Stainless Pipe Co., Ltd.	None	Financial assets at FVTPL - current	5,000	$ 182,500	0.21	$ 182,500
	AltruBio Inc.	None	Financial assets at FVTOCI - non-current	11,051	66,639	9.31	66,639
	Gongwin Biopharm Holdings Co., Ltd.	None	Financial assets at FVTOCI - non-current	7,910	1,517,132	6.98	1,517,132
	Preference Shares						
	AltruBio Inc. - Series A-2	None	Financial assets at FVTOCI - non-current	20,426	123,168	23.00	123,168
Chi Mao Company	Ordinary Shares						
	AltruBio Inc.	None	Financial assets at FVTOCI - non-current	560	3,377	0.47	3,377
	Gongwin Biopharm Holdings Co., Ltd.	None	Financial assets at FVTOCI - non-current	871	167,042	0.77	167,042
	Preference Shares						
	AltruBio Inc. - Series A-1	None	Financial assets at FVTOCI - non-current	15,915	95,969	4.74	95,969

YC INOX CO., LTD AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note 2)		Acquisition (Note 3)		Disposal				Ending Balance (Note 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
The Company	Ordinary shares (Note 1)	Investment accounted for using the equity method	YC INOX TR Company	Subsidiary	3,685	$5,947,025	215	$ 221,464	-	$ -	$ -	$ -	3,900	$6,516,037

Note 1: YC INOX TR Company's ordinary shares have a par value of TRY 1,000 thousand.

Note 2: The balance included the share of profit or loss from investments in subsidiaries accounted for using the equity method and exchange differences on translating foreign operations.

Note 3: Refer to Note 11 of consolidated financial statements.

Note 4: Eliminated.

YC INOX CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	YC INOX TR Company	Subsidiary	$ 483,928 (USD 15,123)	-	$ -	-	$ -	$ -

Note: Eliminated.

YC INOX CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenues or Assets
				Financial Statement Accounts	Amount (Note)	Payment Terms	
0	The Company	YC INOX TR Company	Subsidiary	Interest income	$ 3,928	—	0.13
				Other receivables	483,928	—	2.49

Note: Eliminated.

YC INOX CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company (Note)	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net Income (Loss) of the Investee	Share of Profit (Loss)
				March 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount		
The Company	Chi Mao Company	Shijou Township, Chang-Hwa County, Taiwan	Investment	$ 100,120	$ 100,120	10,000,000	100	$ 203,807	$ (425)	$ (425)
	YC INOX TR Company	Turkey	Manufacturing and distribution of stainless steel tubes/pipes and sheets/coils	7,783,758	7,562,295	3,900	100	6,516,037	(186,369)	(186,369)

Note: Eliminated.

TABLE 8

YC INOX CO., LTD AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Tai Chyang Investment Co. Ltd.	61,209,508	13.01
Chang, Chin-Peng	26,030,000	5.53

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.