YC Inox Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 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 September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, 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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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 Done-Yuin Tseng and Li-Wei Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 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.

YC INOX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025 Amount	%	December 31, 2024 Amount	%	September 30, 2024 Amount	%
CURRENT ASSETS						
Cash (Note 6)	$ 677,782	3	$ 942,549	4	$ 2,972,904	13
Financial assets at fair value through profit or loss - current (Note 7)	201,396	1	151,250	1	173,250	1
Notes receivable (Notes 9, 21 and 28)	34,642	-	32,735	-	48,852	-
Trade receivables (Notes 9, 21 and 28)	866,574	4	1,152,436	5	886,556	4
Other receivables (Note 9)	80,373	-	118,045	-	74,948	-
Inventories (Note 10)	5,259,115	24	4,917,192	22	5,103,669	22
Prepayments	2,427,145	11	2,403,293	11	2,206,225	9
Other current assets (Note 29)	7,159	-	10,299	-	3,569	-
Total current assets	9,554,186	43	9,727,799	43	11,469,973	49
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,157,680	6	1,292,924	6	1,317,977	6
Property, plant and equipment (Note 12)	9,992,573	45	9,027,780	40	8,361,513	36
Right-of-use assets (Note 13)	11,194	-	13,757	-	15,670	-
Computer software (Note 14)	5,621	-	5,204	-	6,042	-
Deferred tax assets (Note 4)	616,129	3	570,561	3	508,046	2
Prepayments for equipment	700,589	3	1,404,811	6	1,272,282	5
Other non-current assets (Note 15)	52,751	-	435,736	2	404,212	2
Total non-current assets	12,536,537	57	12,750,773	57	11,885,742	51
TOTAL	$ 22,090,723	100	$ 22,478,572	100	$ 23,355,715	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 6,687,945	30	$ 5,434,262	24	$ 7,823,552	34
Short-term bills payable (Note 16)	-	-	-	-	99,893	-
Contract liabilities - current (Note 21)	309,090	2	633,101	3	549,040	2
Notes payable	239	-	521	-	6,446	-
Trade payables	246,311	1	309,688	2	247,330	1
Other payables (Note 18)	296,847	1	423,441	2	364,273	2
Current tax liabilities (Note 4)	4,276	-	72,868	-	44,345	-
Lease liabilities - current (Note 13)	7,756	-	6,374	-	6,905	-
Current portion of long-term borrowings and bonds payable (Notes 16 and 17)	914,072	4	730,186	3	571,429	3
Other current liabilities	25,809	-	47,819	-	49,174	-
Total current liabilities	8,492,345	38	7,658,260	34	9,762,387	42
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 17)	12,800	-	31,959	-	-	-
Bonds payable (Note 17)	1,851,695	9	1,824,845	8	224,899	1
Long-term borrowings (Note 16)	1,997,619	9	2,039,286	9	2,154,762	9
Deferred tax liabilities (Note 4)	191,398	1	345,491	2	183,483	1
Lease liabilities - non-current (Note 13)	3,489	-	6,869	-	8,411	-
Net defined benefit liabilities - non-current (Note 4)	33,597	-	35,905	-	38,325	-
Guarantee deposits received	29,503	-	24,395	-	34,308	-
Other non-current liabilities	-	-	-	-	2,010,000	9
Total non-current liabilities	4,120,101	19	4,308,750	19	4,654,188	20
Total liabilities	12,612,446	57	11,967,010	53	14,416,575	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	5,235,479	24	5,202,256	23	4,702,256	20
Registered capital (pending change)	50	-	-	-	-	-
Capital surplus	1,969,815	9	2,456,895	11	1,835,038	8
Retained earnings						
Legal reserve	1,346,931	6	1,346,931	6	1,346,931	6
Unappropriated earnings	201,927	1	31,628	-	214,696	1
Other equity	724,075	3	1,473,852	7	840,219	3
Total equity	9,478,277	43	10,511,562	47	8,939,140	38
TOTAL	$ 22,090,723	100	$ 22,478,572	100	$ 23,355,715	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 September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 21 and 28)	$ 2,955,088	100	$ 3,796,589	100	$ 9,914,927	100	$ 10,434,500	100
OPERATING COSTS (Notes 10 and 22)	2,581,995	88	3,325,663	88	8,992,403	90	9,063,828	87
GROSS PROFIT	373,093	12	470,926	12	922,524	10	1,370,672	13
OPERATING EXPENSES (Note 22)								
Selling and marketing expenses	123,273	4	216,451	6	434,016	4	538,566	5
General and administrative expenses	83,906	3	77,785	2	244,476	3	251,112	2
Total operating expenses	207,179	7	294,236	8	678,492	7	789,678	7
INCOME FROM OPERATIONS	165,914	5	176,690	4	244,032	3	580,994	6
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 22)	(57,282)	(2)	(48,772)	(1)	(159,281)	(2)	(161,822)	(2)
Interest income	949	-	1,310	-	6,610	-	9,172	-
Other gains and losses, net (Notes 22 and 28)	16,139	1	(128,278)	(3)	22,035	-	(552,985)	(5)
Foreign exchange gain, net (Note 31)	88,463	3	21,709	-	14,295	-	231,204	2
Gain (loss) on disposal of property, plant, and equipment	9,976	-	(3,269)	-	(11,477)	-	(3,378)	-
Net gain (loss) on fair value changes of financial instruments at fair value through profit or loss	21,183	1	(6,250)	-	62,142	1	(24,750)	-
Total non-operating income and expenses	79,428	3	(163,550)	(4)	(65,676)	(1)	(502,559)	(5)
INCOME BEFORE INCOME TAX	245,342	8	13,140	-	178,356	2	78,435	1
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 23)	34,454	1	10,337	-	8,057	-	(2,371)	-
NET PROFIT	210,888	7	2,803	-	170,299	2	80,806	1

(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 September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ 111,525	4	$ (266,215)	(7)	$ (135,244)	(2)	$ (547,257)	(6)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,385)	-	943	-	2,770	-	(1,134)	-
	110,140	4	(265,272)	(7)	(132,474)	(2)	(548,391)	(6)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	391,891	13	(29,126)	(1)	(771,629)	(8)	1,152,334	11
Income tax related to items that may be reclassified subsequently to profit or loss	(78,378)	(3)	5,826	-	154,326	2	(230,466)	(2)
	313,513	10	(23,300)	(1)	(617,303)	(6)	921,868	9
Other comprehensive income (loss) for the period, net of income tax	423,653	14	(288,572)	(8)	(749,777)	(8)	373,477	3
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 634,541	21	$ (285,769)	(8)	$ (579,478)	(6)	$ 454,283	4
EARNINGS PER SHARE (Note 24)								
Basic	$ 0.40		$ 0.01		$ 0.33		$ 0.17	
Diluted	$ 0.35		$ 0.01		$ 0.29		$ 0.17	

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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 20)			Retained Earnings (Note 20)		Other Equity		
	Capital Stock Ordinary Shares	Registered Capital Pending Change	Capital Surplus (Note 20)	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE ON JANUARY 1, 2024	$ 4,475,783	$ 224,241	$ 2,302,582	$ 1,346,931	$ 133,890	$ (221,691)	$ 688,433	$ 8,950,169
Issuance of cash dividends from capital surplus	-	-	(470,226)	-	-	-	-	(470,226)
Net profit for the nine months ended September 30, 2024	-	-	-	-	80,806	-	-	80,806
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	921,868	(548,391)	373,477
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	80,806	921,868	(548,391)	454,283
Convertible bonds converted to ordinary shares	226,473	(224,241)	2,682	-	-	-	-	4,914
BALANCE ON SEPTEMBER 30, 2024	$ 4,702,256	$ -	$ 1,835,038	$ 1,346,931	$ 214,696	$ 700,177	$ 140,042	$ 8,939,140
BALANCE ON JANUARY 1, 2025	$ 5,202,256	$ -	$ 2,456,895	$ 1,346,931	$ 31,628	$ 1,361,469	$ 112,383	$ 10,511,562
Issuance of cash dividends from capital surplus	-	-	(523,548)	-	-	-	-	(523,548)
Net profit for the nine months ended September 30, 2025	-	-	-	-	170,299	-	-	170,299
Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	(617,303)	(132,474)	(749,777)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	170,299	(617,303)	(132,474)	(579,478)
Convertible bonds converted to ordinary shares	33,223	50	36,468	-	-	-	-	69,741
BALANCE ON SEPTEMBER 30, 2025	$ 5,235,479	$ 50	$ 1,969,815	$ 1,346,931	$ 201,927	$ 744,166	$ (20,091)	$ 9,478,277

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 Nine Months Ended September 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 178,356	$ 78,435
Adjustments for:		
Depreciation expense	379,743	275,905
Amortization expense	4,466	4,100
(Gain) loss on financial instruments at fair value through profit or loss, net	(62,142)	24,750
Finance costs	159,281	161,822
Interest income	(6,610)	(9,172)
Dividend income	(5,500)	(6,000)
Loss on disposal of property, plant and equipment	11,477	3,378
Loss on lease modification	254	111
Write-down of (reversal of) inventories	42,895	(238,333)
Loss (gain) on unrealized foreign currency exchange, net	23,149	(4,594)
Effect of hyperinflation	-	579,337
Changes in operating assets and liabilities:		
Notes receivable	(1,907)	25,797
Trade receivables	243,332	(18,354)
Other receivables	34,637	437,117
Inventories	(512,693)	(911,049)
Prepayments	(197,209)	(813,613)
Other current assets	2,832	(706)
Contract liabilities	(321,796)	117,591
Notes payable	(282)	5,952
Trade payables	(47,311)	131,872
Other payables	(20,261)	44,391
Other current liabilities	(19,525)	13,275
Net defined benefit liabilities	(2,308)	(2,959)
Cash used in operations	(117,122)	(100,947)
Interest received	6,610	9,172
Dividends received	5,500	6,000
Interest paid	(129,855)	(155,108)
Income tax paid	(121,013)	(162,141)
Net cash used in operating activities	(355,880)	(403,024)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(7,163)	-
Acquisition of property, plant and equipment	(706,016)	(953,124)
Proceeds from disposal of property, plant and equipment	42,142	38,875
Increase in refundable deposits	(81)	(96)
Acquisition of computer software	(4,973)	(2,300)
Increase in prepayments for equipment	(114,799)	(323,205)
Net cash used in investing activities	(790,890)	(1,239,850)

(Continued)

YC INOX CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	**2024**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 15,278,648	$ 19,181,353
Repayments of short-term borrowings	(14,025,587)	(17,107,986)
Proceeds from short-term bills payable	300,000	100,000
Repayments of short-term bills payable	(300,000)	-
Proceeds from long-term borrowings	1,200,000	700,000
Repayments of long-term borrowings	(989,286)	(289,286)
Increase (decrease) in guarantee deposits received	5,108	(237)
Repayments of the principal portion of lease liabilities	(5,039)	(7,543)
Increase in other non-current liabilities	-	2,010,000
Dividends paid to owners of the Company	(523,548)	(470,226)
Net cash generated from financing activities	940,296	4,116,075
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(58,293)	(189,142)
NET (DECREASE) INCREASE IN CASH	(264,767)	2,284,059
CASH AT THE BEGINNING OF THE PERIOD	942,549	688,845
CASH AT THE END OF THE PERIOD	$ 677,782	$ 2,972,904

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 November 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 Financial Supervisory Commission (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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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 on 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 and will disclose the relevant impact when the assessment is completed.

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 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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027

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: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure 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 discontinued 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 other impacts of the above amended 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). 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 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) 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.

2) 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 of US reciprocal tariff 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, 2024.

6. CASH

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	$ 1,150	$ 1,231	$ 1,411
Checking accounts and demand deposits	676,632	941,318	2,971,493
	$ 677,782	$ 942,549	$ 2,972,904

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Financial assets mandatorily measured at FVTPL			
Domestic listed shares	$ 201,396	$ 151,250	$ 173,250

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

	September 30, 2025	December 31, 2024	September 30, 2024
Investments in equity instruments			
Foreign investments			
Unlisted shares	$ 275,247	$ 296,345	$ 286,276
Domestic investments			
Listed shares	882,433	996,579	1,031,701
	$ 1,157,680	$ 1,292,924	$ 1,317,977

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. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable			
At amortized cost			
Gross carrying amount	$ 34,642	$ 32,735	$ 48,852
Less: Allowance for impairment loss	-	-	-
	$ 34,642	$ 32,735	$ 48,852
Trade receivables			
At amortized cost			
Gross carrying amount	$ 826,429	$ 1,131,837	$ 866,516
Less: Allowance for impairment loss	(2,242)	(2,242)	(2,242)
	824,187	1,129,595	864,274
At FVTOCI	42,387	22,841	22,282
	$ 866,574	$ 1,152,436	$ 886,556

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables			
Business tax receivable	$ 24,411	$ 50,354	$ 23,567
Assignment of receivables without recourse	50,159	53,734	49,628
Others	5,803	13,957	1,753
	$ 80,373	$ 118,045	$ 74,948

a. Notes receivable

The aging of notes receivable was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Not past due	$ 34,642	$ 32,735	$ 48,852
Past due	-	-	-
	$ 34,642	$ 32,735	$ 48,852

b. 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 180 Days	Total
September 30, 2025						
Expected credit loss rate (%)	0	0.00-0.05	0.00-16.18	0.00-15.21	100	
Gross carrying amount	$ 719,230	$ 105,337	$ 1,862	$ -	$ -	$ 826,429
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 719,230	$ 103,095	$ 1,862	$ -	$ -	$ 824,187
December 31, 2024						
Expected credit loss rate (%)	0	0.00-5.26	5.00-25.20	12.42-24.58	100	
Gross carrying amount	$ 1,069,406	$ 61,981	$ 450	$ -	$ -	$ 1,131,837
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 1,069,406	$ 59,739	$ 450	$ -	$ -	$ 1,129,595
September 30, 2024						
Expected credit loss rate (%)	0	0.05-5.26	5.00-16.18	11.88-15.21	100	
Gross carrying amount	$ 788,293	$ 78,223	$ -	$ -	$ -	$ 866,516
Loss allowance	-	(2,242)	-	-	-	(2,242)
Amortized cost	$ 788,293	$ 75,981	$ -	$ -	$ -	$ 864,274

c. 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group had no overdue trade receivables, and no impairment loss was recognized within the respective aging ranges.

Refer to Note 27 for details of the factoring for trade receivables.

10. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	$ 2,269,264	$ 1,809,164	$ 1,937,497
Work in progress	370,230	150,062	164,530
Semi-finished goods	602,284	495,358	485,649
Finished goods	2,004,552	2,450,231	2,506,377
Merchandise	12,785	12,377	9,616
	$ 5,259,115	$ 4,917,192	$ 5,103,669

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Cost of inventories sold	$ 2,751,734	$ 3,292,365	$ 8,936,355	$ 9,293,466
Inventories write-downs (reversed)	(174,356)	29,049	42,895	(238,333)
Cost of electricity sold	4,617	4,249	13,153	8,695
	$ 2,581,995	$ 3,325,663	$ 8,992,403	$ 9,063,828

For the three months ended September 30, 2025 and the nine months ended September 30, 2024, the 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	September 30, 2025	December 31, 2024	September 30, 2024
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 5.

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, $161,550 thousand and $221,463 thousand, equivalent to TRY272,646 thousand, TRY269,329 thousand, TRY142,913 thousand and TRY215,112 thousand in May 2023, August 2023, November 2023 and January 2024, respectively. The aforementioned investments were approved by the MOEA.

The Company has been planning to increase the investment in YC INOX TR Company by TRY1,460,000 thousand, which was approved by the Company's board of directors in May 2024, and subsequently invested $648,000 thousand and $809,732 thousand, equivalent to TRY646,862 thousand and TRY813,138 thousand in June 2024 and July 2024, respectively. The aforementioned investments were approved by the MOEA.

The Company has been planning to increase the investment in YC INOX TR Company by TRY1,440,000 thousand, which was approved by the Company's board of directors in August 2024, and subsequently invested $652,520 thousand, $384,480 thousand and $333,738 thousand, equivalent to TRY669,686 thousand, TRY411,308 thousand and TRY359,006 thousand in August 2024, November 2024 and December 2024, respectively. The aforementioned investments were approved by the MOEA.

The Company has been planning to increase the investment in YC INOX TR Company by TRY1,580,000 thousand, equivalent to USD 43,406 thousand which was approved by the Company's board of directors in March 2025, and subsequently invested $656,940 thousand, $318,710 thousand, $179,430 thousand and $145,587 thousand, equivalent to USD 20,000 thousand, USD 10,000 thousand, USD 6,000 thousand and USD 4,995 thousand, in March 2025, May 2025, June 2025 and July 2025, respectively. The aforementioned investments have been approved by the MOEA.

12. PROPERTY, PLANT AND EQUIPMENT

	For the Nine Months Ended September 30, 2025					
	Land	**Buildings**	**Machinery and Equipment**	**Other Equipment**	**Construction in Progress**	**Total**
Cost						
Beginning balance January 1, 2025	$ 2,419,927	$ 2,858,851	$ 4,315,526	$ 1,534,191	$ 1,736,384	$ 12,864,879
Additions	14,853	1,898	334,005	192,867	82,579	626,202
Disposals	-	-	(220,292)	(59,204)	-	(279,496)
Reclassification	363,769	-	693,474	65,109	-	1,122,352
Effects of foreign currency exchange differences	(37,936)	(94,353)	(114,858)	(8,697)	(126,550)	(382,394)
Ending balance September 30, 2025	$ 2,760,613	$ 2,766,396	$ 5,007,855	$ 1,724,266	$ 1,692,413	$ 13,951,543
Accumulated depreciation						
Beginning balance January 1, 2025	$ -	$ 857,757	$ 2,304,573	$ 674,769	$ -	$ 3,837,099
Additions	-	72,796	212,689	88,927	-	374,412
Disposals	-	-	(208,362)	(17,515)	-	(225,877)
Effects of foreign currency exchange differences	-	(4,272)	(19,502)	(2,890)	-	(26,664)
Ending balance September 30, 2025	$ -	$ 926,281	$ 2,289,398	$ 743,291	$ -	$ 3,958,970
Ending carrying amount	$ 2,760,613	$ 1,840,115	$ 2,718,457	$ 980,975	$ 1,692,413	$ 9,992,573
Ending carrying amount on December 31, 2024 and January 1, 2025	$ 2,419,927	$ 2,001,094	$ 2,010,953	$ 859,422	$ 1,736,384	$ 9,027,780

	For the Nine Months Ended September 30, 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	-	8,834	140,302	162,457	704,489	1,016,082
Disposals	-	-	(17,977)	(67,321)	-	(85,298)
Reclassification	-	-	93,060	94,852	(83,752)	104,160
Effects of foreign currency exchange differences and inflation adjustments	63,363	205,096	284,478	13,547	150,871	717,355
Ending balance September 30, 2024	$ 2,387,437	$ 2,741,969	$ 4,195,725	$ 1,476,617	$ 1,265,549	$ 12,067,297
Accumulated depreciation						
Beginning balance January 1, 2024	$ -	$ 745,636	$ 2,076,156	$ 587,031	$ -	$ 3,408,823
Additions	-	65,684	127,753	76,195	-	269,632
Disposals	-	-	(17,389)	(25,656)	-	(43,045)
Reclassification	-	-	(12,811)	-	-	(12,811)
Effects of foreign currency exchange differences and inflation adjustments	-	15,666	59,755	7,764	-	83,185
Ending balance September 30, 2024	$ -	$ 826,986	$ 2,233,464	$ 645,334	$ -	$ 3,705,784
Ending carrying amount	$ 2,387,437	$ 1,914,983	$ 1,962,261	$ 831,283	$ 1,265,549	$ 8,361,513

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

Buildings	15-50 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.1368 (6,148 square meters) were designated as parking lots 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 3 lots of land were mortgaged to the Company for a total of $50,000 thousand.

Furthermore, the Company which is situated in No.115 (171 square meters), No.115-1 and 115-2 (3,218 square meters), and No.116 (120 square meters) of Xinguan Section., Puoshing Township, Chang-Hwa County were registered under the name of Chairman Chang, Chin-Yu. In September 2025, the mortgage cancellation and ownership transfer registration of 4 lots of land were completed. They are now owned by the Company.

No impairment assessment was performed for the nine months ended September 30, 2025 and 2024 as there was no indication of impairment.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Right-of-use assets carrying amount			
Land	$ 1,721	$ 1,967	$ 2,049
Buildings	1,663	-	100
Transportation equipment	5,139	6,933	7,936
Other equipment	2,671	4,857	5,585
	$ 11,194	$ 13,757	$ 15,670

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Additions to right-of-use assets			$ 3,554	$ 12,584
Depreciation of right-of-use assets				
Land	$ 82	$ 82	$ 246	$ 246
Buildings	97	100	293	300
Transportation equipment	820	1,246	2,606	3,533
Other equipment	729	731	2,186	2,194
	$ 1,728	$ 2,159	$ 5,331	$ 6,273

The Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2025 and 2024.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Lease liabilities carrying amount			
Current	$ 7,756	$ 6,374	$ 6,905
Non-current	3,489	6,869	8,411
	$ 11,245	$ 13,243	$ 15,316

Discount rates for lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	2.20%	2.20%	2.20%
Buildings	3.40%	-	1.15%
Transportation equipment	28.00%-48.00%	16.50%-48.00%	16.50%-48.00%
Other equipment	3.05%	3.05%	3.05%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	$ 281	$ 50	$ 376	$ 50
Expenses relating to low value asset leases	$ 403	$ 114	$ 1,597	$ 567
Total cash outflow for leases			$ 8,542	$ 8,160

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 Nine Months Ended September 30, 2025				
	Beginning Balance	Additions	Disposals	Effects of Foreign Currency Exchange Differences	Ending Balance
Cost	$ 20,977	$ 4,973	$ (2,829)	$ (344)	$ 22,777
Accumulated amortization	15,773	$ 4,466	$ (2,829)	$ (254)	17,156
	$ 5,204				$ 5,621

	For the Nine Months Ended September 30, 2024				
	Beginning Balance	Additions	Disposals	Effects of Foreign Currency Exchange Differences and Inflation Adjustments	Ending Balance
Cost	$ 19,544	$ 2,300	$ (887)	$ (470)	$ 20,487
Accumulated amortization	11,600	$ 4,100	$ (887)	$ (368)	14,445
	$ 7,944				$ 6,042

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

15. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Non-current			
Prepayments for land	$ -	$ 382,113	$ 351,302
Refundable deposits	2,191	2,263	1,550
Others	50,560	51,360	51,360
	$ 52,751	$ 435,736	$ 404,212

16. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Letter of credit borrowings and export bills	$ 2,117,945	$ 2,864,262	$ 2,753,552
Line of credit borrowings	4,570,000	2,570,000	5,070,000
	$ 6,687,945	$ 5,434,262	$ 7,823,552
Annual interest rate range (%)			
Letter of credit borrowings and export bills	1.95-2.04	1.95-2.03	1.92-2.01
Line of credit borrowings	1.18-2.52	1.66-2.52	1.61-2.46

b. Short-term bills payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial paper	$ -	$ -	$ 100,000
Less: Unamortized discount on bills payable	-	-	(107)
	$ -	$ -	$ 99,893
Annual interest rate range (%)	-	-	1.98

c. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings			
Line of credit borrowings	$ 2,754,762	$ 2,544,048	$ 2,726,191
Less: Current portion	(757,143)	(504,762)	(571,429)
Long-term borrowings	$ 1,997,619	$ 2,039,286	$ 2,154,762
Annual interest rate range (%)	1.78-1.93	1.78-1.88	1.78-1.85

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 October 2025 to April 2030.

17. BONDS PAYABLE

	September 30, 2025	December 31, 2024	September 30, 2024
Domestic unsecured convertible bonds (a)	$ 156,929	$ 225,424	$ 224,899
Domestic unsecured convertible bonds (b)	1,851,695	1,824,845	-
	2,008,624	2,050,269	224,899
Less: Current portion	(156,929)	(225,424)	-
	$ 1,851,695	$ 1,824,845	$ 224,899

a. 3rd domestic unsecured convertible bonds

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 stated in the Anti-dilution provisions of the "Rules and conditions of issuance and conversion of the 3rd domestic unsecured corporate bonds" (as of September 30, 2025, the conversion price has been adjusted to $20.1). 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 September 30, 2025, the face value of the bonds payable converted by the holders was $842,800 thousand.

b. 4th domestic unsecured convertible bonds

On October 2, 2024, the Company issued 5-year, 0% NTD-denominated unsecured convertible bonds in Taiwan for $2,000,000 thousand, and the maturity date of the bonds is October 2, 2029. Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $25.6, which shall be later adjusted in accordance with the formula stated in the Anti-dilution provisions of the "Rules and conditions of issuance and conversion of the 4th domestic unsecured corporate bonds" (as of September 30, 2025, the conversion price has been adjusted to $24). Three months from the date of issuance of the convertible bonds (January 3, 2025) to 40 days before the maturity date (August 23, 2029), 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 40 days before the expiry of the third year from the date of issuance (October 2, 2027).

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 1.94% per annum on initial recognition.

As of September 30, 2025, the face value of the bonds payable converted by the holders was $0 thousand.

c. 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 Nine Months Ended September 30	
	2025	2024
Balance on January 1	$ 2,050,269	$ 228,240
Amortization of discount this period	28,096	1,573
Converted into ordinary shares this period	(69,741)	(4,914)
Balance on September 30	$ 2,008,624	$ 224,899

	For the Nine Months Ended September 30	
Derivative instrument - put options (financial liabilities)	2025	2024
Balance on January 1	$ 31,959	$ -
Changes in fair value for current period	(19,159)	-
Balance on September 30	$ 12,800	$ -

18. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Payables for salaries and bonuses	$ 86,494	$ 110,166	$ 93,900
Payables for acquisition of equipment	80,317	171,538	139,698
Payables for profit sharing bonus of employees and remuneration of directors	10,219	-	7,665
Payables for commission	1,608	4,752	994
Others	118,209	136,985	122,016
	$ 296,847	$ 423,441	$ 364,273

19. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2025 and 2024, the pension expenses of defined benefit plans were $157 thousand and $161 thousand, respectively, and for the nine months ended September 30, 2025 and 2024, the pension expenses of defined benefit plans were $470 thousand and $483 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

20. EQUITY

a. Capital stock

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized shares (in thousands of shares)	880,000	660,000	660,000
Authorized capital	$ 8,800,000	$ 6,600,000	$ 6,600,000
Issued and paid shares (in thousands of shares)	523,548	520,226	470,226
Issued capital	$ 5,235,479	$ 5,202,256	$ 4,702,256
Registered capital (pending change)	$ 50	$ -	$ -

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

On August 16, 2024, the Company's board of directors resolved to issue 50,000 thousand ordinary shares with a par value of $10, for a consideration of $19 per share, which increased the paid-in capital to $5,202,256 thousand. The above transaction was approved by the Securities and Futures Bureau of the FSC on September 11, 2024, and The Company's board of directors determined the base date for this increase to be September 11, 2024. The Company has completed the change of registration.

On June 16, 2025, the Company's shareholders' meeting resolved to increase the authorized shares to 880,000 thousand shares, with a par value of $10 per share, resulting in an authorized capital of $8,800,000 thousand. The Company has completed the change of registration.

b. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to capital			
Additional paid-in capital	$ 922,527	$ 1,446,075	$ 996,074
Issuance of conversion bonds	863,760	824,420	824,421
Interest premium payable on convertible bonds	5,239	5,239	5,239
May not be used for any purpose			
Share warrants of convertible bonds	178,289	181,161	9,304
	$ 1,969,815	$ 2,456,895	$ 1,835,038

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 bonus of employees and remuneration of directors, refer to Note 22.

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.

The Company specify that 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 offsetting of deficit for 2024 and 2023, which were resolved in the shareholders' meetings in June 2025 and June 2024, respectively.

The Company's shareholders also resolved in the shareholders' meetings in June 2025 and June 2024 to issue cash dividends of $523,548 thousand and $470,226 thousand from the capital surplus, respectively.

21. NET REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from the sale of goods	$ 2,939,128	$ 3,769,969	$ 9,872,775	$ 10,393,244
Other operating revenue				
Revenue from the sale of electricity	15,960	26,620	42,152	41,256
	$ 2,955,088	$ 3,796,589	$ 9,914,927	$ 10,434,500

Contract balance

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes and trade receivables	$ 901,216	$1,185,171	$ 935,408	$ 976,833
Contract liabilities				
Sale of goods	$ 309,090	$ 633,101	$ 549,040	$ 432,997

22. NET PROFIT

a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on borrowings	$ 45,711	$ 48,967	$ 127,320	$ 127,260
Interest on short-term bills payable	-	526	354	548
Interest on lease liabilities	230	783	1,530	2,186
Interest on bonds payable	9,360	524	28,096	1,573
Others	1,981	(2,028)	1,981	30,255
	$ 57,282	$ 48,772	$ 159,281	$ 161,822

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Rental income	$ 8	$ 8	$ 23	$ 23
Dividend income	5,500	6,000	5,500	6,000
Others	10,631	3,241	16,512	20,329
Loss on hyperinflation (e)	-	(137,527)	-	(579,337)
	$ 16,139	$ (128,278)	$ 22,035	$ (552,985)

c. Employee benefits expense, depreciation expense and amortization expense

	For the Three Months Ended September 30					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expense	$ 149,743	$ 48,576	$ 198,319	$ 154,664	$ 48,742	$ 203,406
Post-employment benefits						
Defined contribution plans	7,183	2,044	9,227	6,764	2,194	8,958
Defined benefit plans	105	52	157	113	48	161
Remuneration of directors	-	2,589	2,589	-	2,490	2,490
Labor and health insurance expense	15,948	3,955	19,903	15,497	4,298	19,795
Other employee benefits	13,645	3,261	16,906	14,899	3,484	18,383
Depreciation expense	134,660	11,388	146,048	82,240	11,144	93,384
Amortization expense	76	1,580	1,656	150	1,140	1,290

	For the Nine Months Ended September 30					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expense	$ 478,157	$ 145,171	$ 623,328	$ 463,384	$ 151,112	$ 614,496
Post-employment benefits						
Defined contribution plans	21,691	6,248	27,939	19,205	6,443	25,648
Defined benefit plans	314	156	470	320	163	483
Remuneration of directors	-	7,091	7,091	-	6,747	6,747
Labor and health insurance expense	49,451	13,027	62,478	45,672	13,163	58,835
Other employee benefits	45,358	10,100	55,458	42,619	9,609	52,228
Depreciation expense	347,295	32,448	379,743	241,919	33,986	275,905
Amortization expense	338	4,128	4,466	458	3,642	4,100

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. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation, to be approved at the 2025 shareholders' meeting to specify that no less than 20% of the total amount of bonus of employees shall be allocated to grassroots employees. The profit-sharing bonuses of employees (including bonus of grassroots employees) and remuneration of directors for the three and nine months ended September 30, 2025 and 2024, were estimated as follows:

	For the Three Months Ended September 30			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Profit sharing bonus of employees	5%	$ 9,871	5%	$ 226
Remuneration of directors	2%	3,948	2%	91

	For the Nine Months Ended September 30			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Profit sharing bonus of employees	5%	$ 9,871	5%	$ 5,475
Remuneration of directors	2%	3,948	2%	2,190

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 losses for the fiscal year 2024 and 2023; therefore, in accordance with the articles of association, it is not proposed to provide for employee and director remuneration.

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 IMF DATA 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, and the provisions of IAS 29 have been applicable from April 21, 2022. 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 nine months ended September 30, 2024, resulting in losses of $579,337 thousand on the net monetary position included in profit or loss.

YC INOX TR Company considers that the functional currency of an entity reflects the primary economic environment in which it operates. In light of the changing economic conditions in Turkey, the Company's Board of Directors resolved on December 27, 2024, to change the functional currency of its Turkish subsidiary from the Turkish lira to the U.S. dollar, with the change to be applied prospectively from January 1, 2025, in accordance with IAS 21. Since the new functional currency of the subsidiary is not a currency of a hyperinflationary economy, the provisions of IAS 29 do not apply from the date of the change.

23. INCOME TAXES EXPENSE (BENEFIT)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	$ 16,772	$ 43,973	$ 69,632	$ 100,453
Adjustment for prior years	-	145	(17,268)	(9,462)
	16,772	44,118	52,364	90,991
Deferred tax				
In respect of the current period	17,682	(33,781)	(44,307)	(93,362)
Income tax expense (benefit) recognized in profit or loss	$ 34,454	$ 10,337	$ 8,057	$ (2,371)

b. Income tax assessments

The tax returns through 2023 of the Company and Chi Mao Company have been assessed by the tax authorities.

24. 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 September 30, 2025			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 210,888	523,550	$0.40
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	501	
Convertible bonds	7,328	91,154	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 218,216	615,205	$0.35
For the Three Months Ended September 30, 2024			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 2,803	470,225	$0.01
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	9	
Convertible bonds	419	10,577	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 3,222	480,811	$0.01
For the Nine Months Ended September 30, 2025			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 170,299	522,747	$0.33
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	501	
Convertible bonds	7,150	91,154	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 177,449	614,402	$0.29

(Continued)

	Net Profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Nine Months Ended September 30, 2024			
Basic earnings per share			
Net income for the period attributable to owners of the Company	$ 80,806	470,225	$0.17
Effect of potentially dilutive ordinary shares:			
Profit sharing bonus of employees	-	224	
Convertible bonds	1,258	10,577	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$ 82,064	481,026	$0.17

(Concluded)

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.

25. 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 nine months ended September 30, 2025 and 2024:

The amount of cash paid for the acquisition of property, plant and equipment during the nine months ended September 30, 2025 and 2024, respectively, were as follows:

	For the Nine Months Ended September 30	
	2025	2024
Purchase of property, plant and equipment	$ 626,202	$ 1,016,082
Net changes in payables for acquisition of equipment	91,221	(60,239)
Foreign exchange movements and inflation adjustments	(11,407)	(2,719)
Cash payments for property, plant and equipment	$ 706,016	$ 953,124

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2025

			Non-cash Changes				
	Beginning Balance	Cash Flows	Exercise of Conversion Option	Discount Amortization	Increasing in Leasing	Change in Exchange Rate and Effect of Inflation	Ending Balance
Short-term bank borrowings	$ 5,434,262	$ 1,253,061	$ -	$ -	$ -	$ 622	$ 6,687,945
Bonds payable (including current portion)	2,050,269	-	(69,741)	28,096	-	-	2,008,624
Long-term bank borrowings (including current portion)	2,544,048	210,714	-	-	-	-	2,754,762
Guarantee deposits received	24,395	5,108	-	-	-	-	29,503
Lease liabilities	13,243	(5,039)	-	-	3,554	(513)	11,245
	$10,066,217	$ 1,463,844	$ (69,741)	$ 28,096	$ 3,554	$ 109	$ 11,492,079

For the nine months ended September 30, 2024

			Non-cash Changes				
	Beginning Balance	Cash Flows	Exercise of Conversion Option	Discount Amortization	Increasing in Leasing	Change in Exchange Rate and Effect of Inflation	Ending Balance
Short-term bank borrowings	$ 5,751,078	$ 2,073,367	$ -	$ -	$ -	$ (893)	$ 7,823,552
Short-term bills payable	-	100,000	-	(107)	-	-	99,893
Bonds payable	228,240	-	(4,914)	1,573	-	-	224,899
Long-term bank borrowings (including current portion)	2,315,477	410,714	-	-	-	-	2,726,191
Guarantee deposits received	34,545	(237)	-	-	-	-	34,308
Lease liabilities	9,991	(7,543)	-	-	12,584	284	15,316
	$ 8,339,331	$ 2,576,301	$ (4,914)	$ 1,466	$ 12,584	$ (609)	$ 10,924,159

26. 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, 2024.

27. 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
September 30, 2025				
Financial assets at FVTPL				
Domestic listed shares	$ 201,396	$ -	$ -	$ 201,396
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed share	882,433	-	-	882,433
Foreign unlisted shares	-	-	275,247	275,247
Investment in debt instruments				
Trade receivables	-	-	42,387	42,387
	$ 1,083,829	$ -	$ 317,634	$ 1,401,463
Financial liabilities at FVTPL				
Derivatives	$ -	$ -	$ 12,800	$ 12,800
December 31, 2024				
Financial assets at FVTPL				
Domestic listed shares	$ 151,250	$ -	$ -	$ 151,250
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed share	996,579	-	-	996,579
Foreign unlisted shares	-	-	296,345	296,345
Investment in debt instruments				
Trade receivables	-	-	22,841	22,841
	$ 1,147,829	$ -	$ 319,186	$ 1,467,015
Financial liabilities at FVTPL				
Derivatives	$ -	$ -	$ 31,959	$ 31,959
September 30, 2024				
Financial assets at FVTPL				
Domestic listed shares	$ 173,250	$ -	$ -	$ 173,250
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed share	1,031,701	-	-	1,031,701
Foreign unlisted shares	-	-	286,276	286,276
Investment in debt instruments				
Trade receivables	-	-	22,282	22,282
	$ 1,204,951	$ -	$ 308,558	$ 1,513,509

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2025 and 2024.

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

For the nine months ended September 30, 2025

Financial Assets	Financial Assets at FVTOCI: Equity Instruments	Financial Assets at FVTOCI: Debt Instruments	Total
Balance on January 1, 2025	$ 296,345	$ 22,841	$ 319,186
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(21,098)	-	(21,098)
Net increase in trade receivables	-	83,098	83,098
Factored trade receivables	-	(63,552)	(63,552)
Balance on September 30, 2025	$ 275,247	$ 42,387	$ 317,634

For the nine months ended September 30, 2024

Financial Assets	Financial Assets at FVTOCI: Equity Instruments	Financial Assets at FVTOCI: Debt Instruments	Total
Balance on 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)	8,631	-	8,631
Net increase in trade receivables	-	68,677	68,677
Factored trade receivables	-	(70,182)	(70,182)
Balance on September 30, 2024	$ 286,276	$ 22,282	$ 308,558

Financial Liabilities at FVTPL	For the Nine Months Ended September 30: 2025	2024
Derivatives		
Balance on January 1	$ 31,959	$ -
Recognized in profit or loss (included in other gains and losses)	(19,159)	-
Balance on September 30	$ 12,800	$ -

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.

Financial Instrument	Valuation Technique and Inputs
	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.
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

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 201,396	$ 151,250	$ 173,250
Amortized cost	1,622,358	2,231,216	3,964,776
FVTOCI			
Equity instruments	1,157,680	1,292,924	1,317,977
Trade receivables	42,387	22,841	22,282
Financial liabilities			
Amortized cost	11,927,518	10,676,458	11,425,327
FVTPL			
Derivatives	12,800	31,959	-

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 non-current assets).

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

c. Financial risk management objectives and policies

The Group's major financial instruments include equity, trade receivables, trade payables, bonds payable, 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 31.

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 Nine Months Ended September 30	
	2025	2024
USD/NTD	$ 4,624	$ (2,165)
USD/TRY	-	4,474

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:

	September 30, 2025	**December 31, 2024**	**September 30, 2024**
Fair value interest rate risk			
Financial assets	$ 2,100	$ 2,100	$ 2,100
Financial liabilities	2,019,869	2,063,512	240,215
Cash flow interest rate risk			
Financial assets	363,183	425,174	2,544,537
Financial liabilities	9,442,707	7,978,310	10,649,636

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 assets and 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 nine months ended September 30, 2025 and 2024 would have changed by $6,810 thousand and $6,079 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.

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 nine months ended September 30, 2025 and 2024 would have changed by $2,014 thousand and $1,733 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 September 30, 2025, December 31, 2024 and September 30, 2024, the amount of unused financing facilities was as follows:

	September 30, 2025	**December 31, 2024**	**September 30, 2024**
Amount of unused bank financing facilities	$ 14,135,688	$ 15,829,471	$ 12,435,482

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**
September 30, 2025		
Non-interest bearing liabilities	$ 446,684	$ 29,503
Lease liabilities	8,102	3,630
Floating interest rate liabilities	7,445,088	1,997,619
Fixed interest rate liabilities	157,200	2,000,000
	$ 8,057,074	$ 4,030,752

(Continued)

	Less than 1 Year	1-5 Years
December 31, 2024		
Non-interest bearing liabilities	$ 623,484	$ 24,395
Lease liabilities	7,547	6,981
Floating interest rate liabilities	5,939,024	2,039,286
Fixed interest rate liabilities	227,400	2,000,000
	$ 6,797,455	$ 4,070,662
September 30, 2024		
Non-interest bearing liabilities	$ 516,484	$ 34,308
Lease liabilities	8,317	8,810
Floating interest rate liabilities	8,494,874	2,154,762
Fixed interest rate liabilities	-	227,400
	$ 9,019,675	$ 2,425,280

(Concluded)

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)
September 30, 2025					
Fubon Bank	$ 491,081	$ 49,379	$ 271	$ 441,702	2M TAIFX3
	(USD 16,130)	(USD 1,622)	(USD 9)	(USD 14,508)	+0.25%
	7,730	780	7	6,950	1M TAIFX3
	(EUR 216)	(EUR 22)	(EUR -)	(EUR 194)	+0.25%
December 31, 2024					
Fubon Bank	$ 534,827	$ 53,734	$ 251	$ 481,093	2M TAIFX3
	(USD 16,313)	(USD 1,639)	(USD 8)	(USD 14,674)	+0.25%
September 30, 2024					
Fubon Bank	$ 493,975	$ 49,628	$ 230	$ 444,347	2M TAIFX3
	(USD 15,607)	(USD 1,568)	(USD 7)	(USD 14,039)	+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).

28. 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 September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties	$ 906	$ 907	$ 2,466	$ 2,384

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

c. Receivables from related parties

Line Item	Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	Other related parties	$ 388	$ 242	$ -
Trade receivables	Other related parties	205	409	627
		$ 593	$ 651	$ 627

The outstanding trade receivable from related parties are unsecured. For the nine months ended September 30, 2025 and 2024, no impairment loss was recognized for trade receivable from related parties.

d. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties	$ 8	$ 8	$ 23	$ 23

e. Remuneration of key management personnel

Remuneration of key management personnel was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 10,962	$ 6,932	$ 28,536	$ 23,230
Post-employment benefits	99	91	275	216
	$ 11,061	$ 7,023	$ 28,811	$ 23,446

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for usage of natural gas and construction, as well as bank deposits with restricted use due to local foreign exchange controls:

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits (classified as other current assets)	$ 3,183	$ 6,028	$ 2,100

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of September 30, 2025 and 2024 were as follows:

a. As of September 30, 2025, December 31, 2024 and September 30, 2024, unused letters of credit for purchases of raw materials amounted to $243,663 thousand, $248,024 thousand and $473,111 thousand, respectively.

b. As of September 30, 2025, December 31, 2024 and September 30, 2024, unpaid contracts for purchases of raw materials and equipment amounted to $256,666 thousand, $806,884 thousand and $1,295,097 thousand, respectively.

31. 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:

	September 30, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 16,509	30.445 (USD/NTD)	$ 502,602
Financial liabilities			
USD	1,320	30.445 (USD/NTD)	40,174

	December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 27,336	32.785 (USD/NTD)	$ 896,216
USD	21,129	35.223 (USD/TRY)	692,970
Financial liabilities			
USD	278	32.785 (USD/NTD)	9,101
USD	2,733	35.223 (USD/TRY)	89,642

	September 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Monetary items			
Financial assets			
USD	$ 24,155	31.65 (USD/NTD)	$ 764,492
USD	16,640	34.09 (USD/TRY)	526,025
Financial liabilities			
USD	30,994	31.65 (USD/NTD)	980,975
USD	2,488	34.09 (USD/TRY)	78,640

Realized and unrealized net foreign exchange gains (losses) were $88,463 thousand and $21,709 thousand for the three months ended September 30, 2025 and 2024, respectively; and $14,295 thousand and $231,204 thousand for the nine months ended September 30, 2025 and 2024, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

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

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

6) Other: Intercompany relationships and significant intercompany transactions (Table 4)

b. Information on investees (Table 5)

c. Information on investments in mainland China (None)

33. 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 Nine Months Ended September 30			
	Segment Revenue		Segment Profit or Loss	
	2025	2024	2025	2024
Stainless steel tubes/pipes	$ 6,358,035	$ 6,240,017	$ 246,474	$ 345,554
Stainless steel sheets/coils	3,388,440	4,014,811	(22,107)	204,136
Others	168,452	179,672	19,665	31,304
Total	$ 9,914,927	$ 10,434,500	244,032	580,994
Finance costs			(159,281)	(161,822)
Interest income			6,610	9,172
Other gains and losses, net			22,035	(552,985)
Foreign exchange gain, net			14,295	231,204
Loss on disposal of property, plant and equipment			(11,477)	(3,378)
Gain (loss) on financial instruments at FVTPL			62,142	(24,750)
Profit before income tax			$ 178,356	$ 78,435

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for nine months ended September 30, 2025 and 2024.

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 gain (loss) on financial instruments at FVTPL, loss on disposal of property, plant and equipment and income tax expense (benefit). 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 NINE MONTHS ENDED SEPTEMBER 30, 2025
(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	$ 1,529,500 (USD 50,000)	$ 1,522,250 (USD 50,000)	$ 456,675 (USD 15,000)	8%	Short-term financing	$ -	Operation	$ -	-	$ -	$ 1,895,655	$ 3,791,310	

Note 1: 0 represents the parent company.

Note 2: The financing limit for each borrower and total 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

SIGNIFICANT MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2025
(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	September 30, 2025			
				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	5,231	$ 201,396	0.20	$ 201,396
	AltruBio Inc.	None	Financial assets at FVTOCI - non-current	11,051	63,435	9.30	63,435
	Gongwin Biopharm Holdings Co., Ltd.	None	Financial assets at FVTOCI - non-current	7,910	794,911	6.20	794,911
	Preference Shares						
	AltruBio Inc. - Series A-2	None	Financial assets at FVTOCI - non-current	20,426	117,244	23	117,244
Chi Mao Company	Ordinary Shares						
	AltruBio Inc.	None	Financial assets at FVTOCI - non-current	560	3,215	0.47	3,215
	Gongwin Biopharm Holdings Co., Ltd.	None	Financial assets at FVTOCI - non-current	871	87,522	0.68	87,522
	Preference Shares						
	AltruBio Inc. - Series A-1	None	Financial assets at FVTOCI - non-current	15,915	91,353	4.74	91,353

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 NINE MONTHS ENDED SEPTEMBER 30, 2025
(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	$ 461,680 USD (15,164)	-	$ -	-	$ - USD -	$ -

Note: Eliminated.

YC INOX CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(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	Purchases	$ 14,007	O/A 120 days	-
				Investments accounted	1,300,667	-	6
				Other receivables	461,680	-	2

Note: Eliminated.

YC INOX CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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)
				September 30, 2025	December 31, 2024	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	$ 115,341	$ (1,373)	$ (1,373)
	YC INOX TR Company	Turkey	Manufacturing and distribution of stainless steel tubes/pipes and sheets/coils	11,912,895	10,612,228	8,380	100	10,387,146	(258,480)	(258,480)

Note: Eliminated.