IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2024 AND 2023

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Iron Force Industrial Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Iron Force Industrial Co., Ltd. and subsidiaries (the "Group") as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 causes 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 at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Chen, Ching Chang	Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

May 3, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	March 31, 2024 AMOUNT	December 31, 2023 AMOUNT	March 31, 2023 AMOUNT
	Current assets				
1100	Cash and cash equivalents	6(1)	$ 1,857,826	$ 1,406,535	$ 1,614,174
1110	Financial assets at fair value through profit or loss - current	6(2)	22,148	264,862	738
1150	Notes receivable, net		-	11	11
1170	Accounts receivable, net	6(3)	1,217,953	1,241,098	1,023,618
1200	Other receivables, net		29,935	25,976	26,319
130X	Inventories	6(4)	1,034,176	1,003,945	1,017,126
1410	Prepayments		44,580	47,134	66,865
1479	Other current assets		5,467	8,219	10,101
11XX	**Total current assets**		4,212,085	3,997,780	3,758,952
	Non-current assets				
1600	Property, plant and equipment	6(5) and 8	1,858,650	1,852,823	1,817,821
1755	Right-of-use assets	6(6)	65,782	61,291	61,343
1780	Intangible assets		41,331	34,747	34,471
1840	Deferred tax assets		53,129	76,788	68,017
1900	Other non-current assets	6(7)	100,612	111,935	98,166
15XX	**Total non-current assets**		2,119,504	2,137,584	2,079,818
1XXX	**Total assets**		$ 6,331,589	$ 6,135,364	$ 5,838,770

(Continued)

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	March 31, 2024 AMOUNT	December 31, 2023 AMOUNT	March 31, 2023 AMOUNT
	Current liabilities				
2100	Short-term borrowings	6(8)	$ 382,000	$ 382,000	$ 436,000
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	7,600	-
2130	Current contract liabilities	6(15)	1,645	2,053	3,476
2170	Accounts payable		311,350	309,738	221,995
2200	Other payables	6(9)	305,041	339,644	256,793
2230	Current tax liabilities		74,735	76,086	70,271
2280	Current lease liabilities		2,338	1,450	761
2320	Long-term liabilities, current portion	6(10)	6,243	6,123	4,101
2399	Other current liabilities		5,412	6,234	16,745
21XX	**Total current liabilities**		1,088,764	1,130,928	1,010,142
	Non-current liabilities				
2540	Non-current portion of long-term borrowings	6(10)	30,551	31,638	25,227
2570	Deferred tax liabilities		457,514	558,474	481,794
2580	Non-current lease liabilities		5,555	2,673	893
2600	Other non-current liabilities		42,720	48,081	43,457
25XX	**Total non-current liabilities**		536,340	640,866	551,371
2XXX	**Total liabilities**		1,625,104	1,771,794	1,561,513
	Equity attributable to owners of parent				
	Share capital	6(12)			
3110	Ordinary share		757,803	757,803	757,803
	Capital surplus	6(13)			
3200	Capital surplus		813,473	813,473	813,473
	Retained earnings	6(14)			
3310	Legal reserve		714,295	714,295	668,091
3320	Special reserve		325,899	325,899	383,506
3350	Unappropriated retained earnings		2,348,331	2,083,825	1,961,390
	Other equity interest				
3400	Other equity interest		(253,316)	(331,725)	(307,006)
3XXX	**Total equity**		4,706,485	4,363,570	4,277,257
3X2X	**TOTAL LIABILITIES AND EQUITY**		$ 6,331,589	$ 6,135,364	$ 5,838,770

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

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended March 31 2024 AMOUNT	2023 AMOUNT
4000	Sales revenue	6(15)	$ 1,235,312	$ 1,125,440
5000	Operating costs	6(4)(16)	(922,869)	(858,649)
5900	Gross profit from operations		312,443	266,791
	Operating expenses	6(16)		
6100	Selling expenses		(35,957)	(31,945)
6200	General and administrative expenses		(91,002)	(83,063)
6300	Research and development expenses		(39,491)	(36,711)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	1,269	(266)
6000	Total operating expenses		(165,181)	(151,985)
6900	Net operating income		147,262	114,806
	Non-operating income and expenses			
7100	Interest income		10,899	8,037
7010	Other income	7	84	84
7020	Other gains and losses	6(17) and 7	34,807	12,913
7050	Finance costs		(1,823)	(2,146)
7000	Total non-operating income and expenses		43,967	18,888
7900	**Profit before tax**		191,229	133,694
7950	Income tax benefit (expense)	6(18)	73,277	(39,116)
8200	**Profit for the period**		$ 264,506	$ 94,578
	Other comprehensive income			
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations		$ 98,011	$ 23,616
8399	Income tax relating to the components of other comprehensive income	6(18)	(19,602)	(4,723)
8300	**Other comprehensive income, net**		$ 78,409	$ 18,893
8500	**Total comprehensive income for the period**		$ 342,915	$ 113,471
	Profit, attributable to:			
8610	Owners of the parent		$ 264,506	$ 94,578
	Comprehensive income attributable to:			
8710	Owners of the parent		$ 342,915	$ 113,471
	Earnings per share (in dollars)	6(19)		
9750	Basic earnings per share		$ 3.49	$ 1.24
9850	Diluted earnings per share		$ 3.49	$ 1.24

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

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						
				Retained Earnings				
	Notes	Ordinary share	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Three months ended March 31,2023								
Balance at January 1, 2023		$ 757,803	$ 813,473	$ 668,091	$ 383,506	$ 1,866,812	($ 325,899)	$ 4,163,786
Profit for the period		-	-	-	-	94,578	-	94,578
Other comprehensive income for the period		-	-	-	-	-	18,893	18,893
Total comprehensive income		-	-	-	-	94,578	18,893	113,471
Balance at March 31, 2023		$ 757,803	$ 813,473	$ 668,091	$ 383,506	$ 1,961,390	($ 307,006)	$ 4,277,257
Three months ended March 31,2024								
Balance at January 1, 2024		$ 757,803	$ 813,473	$ 714,295	$ 325,899	$ 2,083,825	($ 331,725)	$ 4,363,570
Profit for the period		-	-	-	-	264,506	-	264,506
Other comprehensive income for the period		-	-	-	-	-	78,409	78,409
Total comprehensive income		-	-	-	-	264,506	78,409	342,915
Balance at March 31, 2024		$ 757,803	$ 813,473	$ 714,295	$ 325,899	$ 2,348,331	($ 253,316)	$ 4,706,485

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

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 191,229	$ 133,694
Adjustments			
Adjustments to reconcile profit (loss)			
(Reversal of impairment loss) expected credit impairment loss	12(2)	(1,269)	266
Depreciation	6(5)(6)(16)	48,856	48,282
Amortization	6(16)	4,679	2,386
Interest income		(10,899)	(8,037)
Gain on disposal of property, plant and equipment	6(17)	(793)	(127)
Net (gain)loss on financial assets at fair value through profit or loss	6(2)(17)	(23,751)	3,524
Interest expense		1,823	2,146
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		258,865	665,937
Notes receivable		11	-
Accounts receivable		24,414	100,397
Other receivables		(3,959)	11,971
Inventories		(30,231)	41,191
Prepayments		2,554	(9,089)
Other current assets		3,466	3,436
Changes in operating liabilities			
Current contract liabilities		(408)	2,584
Accounts payable		1,612	(27,422)
Other payables		(21,486)	(35,400)
Other current liabilities		(822)	(3,440)
Other non-current liabilities		(5,361)	(347)
Cash inflow generated from operations		438,530	931,952
Interest received		10,899	8,037
Income tax paid		(25,691)	(10,173)
Interest paid		(1,823)	(1,517)
Net cash flows from operating activities		421,915	928,299
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(20)	(21,256)	(31,083)
Proceeds from disposal of property, plant and equipment		1,218	726
Increase in other non-current liabilities		(13,696)	(3,467)
Net cash flows used in investing activities		(33,734)	(33,824)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loan	6(21)	-	(48,000)
Payments of lease liabilities	6(21)	(511)	(227)
Repayments of long-term debt	6(21)	(1,531)	(1,005)
Repayments of bonds	6(21)	-	(300,000)
Net cash flows used in financing activities		(2,042)	(349,232)
Effect of exchange rate changes on cash and cash equivalents		65,152	13,852
Net increase in cash and cash equivalents		451,291	559,095
Cash and cash equivalents at beginning of period		1,406,535	1,055,079
Cash and cash equivalents at end of period		$ 1,857,826	$ 1,614,174

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

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Iron Force Industrial Co., Ltd. (the "Company") was incorporated in April 1977 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and listed on the Taiwan Stock Exchange on November 25, 2013. The Company is primarily engaged in manufacturing and trading of airbag inflators for automotive safety systems and high precision metal tubes for seatbelt retractor/pretensioner systems, and trading of display fixtures and other metal parts.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on May 3, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparation and basis of consolidation as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	March 31, 2024	December 31, 2023	March 31, 2023
The Company	Transtat Investment Ltd. (Transtat)	Holding company	100%	100%	100%
The Company	Cortec GmbH	Sales of hangers and display fixtures	100%	100%	100%
The Company	Iron Force Poland Sp. z o.o.	Producing and sales of automotive safety components	100%	100%	100%
Transtat	Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers and display fixtures	100%	100%	100%
Transtat	Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	100%	100%	100%
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Producing and sales of hangers and display fixtures	100%	100%	100%
Cortec GmbH	Cortec Verwaltungs GmbH	Management consulting company	100%	100%	100%

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of March 31, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Petty cash and cash on hand	$ 236	$ 245	$ 235
Checking accounts and demand deposits	1,589,792	1,130,453	1,442,360
Time deposits	67,118	166,851	106,246
Short-term notes and bills	200,680	108,986	65,333
	$ 1,857,826	$ 1,406,535	$ 1,614,174

A. Time deposits and short-term notes and bills on March 31, 2024, December 31, 2023 and March 31, 2023 were listed as highly liquid investments expiring within three months and the annual interest rates ranged from 1.2%~4.20%, 0.2%~4.08% and 2.0%~5.09%, respectively.

B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets / liabilities at fair value through profit or loss

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ -	$ 259,595	$ -
Unlisted stocks	12,000	12,000	12,000
Forward foreign exchange contracts	21,620	4,391	458
Valuation adjustment	(11,472)	(11,124)	(11,720)
	$ 22,148	$ 264,862	$ 738
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Forward foreign exchange contracts	$ -	$ 7,600	$ -

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 93	$ -
Structured deposits	-	24
Forward foreign exchange contracts	23,658	(3,548)
	$ 23,751	($ 3,524)

B. Details of the transactions and contract information in respect of the Company's derivative financial assets / liabilities which were not accounted for under hedge accounting are as follows:

	March 31, 2024	
Financial instruments	Contract amount (notional principal) (in dollars)	Contract period
Forward foreign exchange contracts - pre-purchase	EUR 4,000,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-purchase	EUR 7,600,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-purchase	EUR 8,400,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-sale	EUR 18,000,000	2023/12/28~2024/7/18

	December 31, 2023	
Financial instruments	Contract amount (notional principal) (in dollars)	Contract period
Forward foreign exchange contracts - pre-purchase	EUR 4,000,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-purchase	EUR 7,600,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-purchase	EUR 8,400,000	2023/07/25~2024/7/18
Forward foreign exchange contracts - pre-sale	EUR 18,000,000	2023/12/28~2024/7/18

	March 31, 2023		
Financial instruments	Contract amount (notional principal) (in dollars)		Contract period
Forward foreign exchange contracts - pre-sale	USD	900,000	2023/03/16~2023/4/27
Forward foreign exchange contracts - pre-sale	USD	1,100,000	2023/03/16~2023/6/16
Forward foreign exchange contracts - pre-sale	USD	4,000,000	2023/03/16~2023/6/16

(a) The Group entered into forward foreign exchange contracts to buy/sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(b) The structured instruments signed by the Group are principal-protected floating-income transactions to obtain exchange rate spreads.

C. Information relating to credit risk of financial assets / liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	$ 1,225,643	$ 1,250,057	$ 1,045,447
Less: Allowance for uncollectible accounts	(7,690)	(8,959)	(21,829)
	$ 1,217,953	$ 1,241,098	$ 1,023,618

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Not past due	$ 1,134,232	$ 1,156,805	$ 942,729
Up to 30 days	66,427	63,335	54,698
31 to 90 days	23,077	28,122	29,792
91 to 180 days	1,366	1,739	15,359
Over 181 days	541	56	2,869
	$ 1,225,643	$ 1,250,057	$ 1,045,447

The above ageing analysis was based on past due date.

B. As of March 31, 2024, December 31, 2023, March 31, 2023 and January 1, 2023, the balances of accounts receivable from contracts with customers amounted to $1,225,643, $1,250,057, $1,045,447 and $1,145,844, respectively.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 415,974	($ 13,652)	$ 402,322
Work in progress	92,873	(6,791)	86,082
Finished goods	506,737	(9,735)	497,002
Merchandise	68,896	(20,126)	48,770
	$ 1,084,480	($ 50,304)	$ 1,034,176

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 420,407	($ 13,202)	$ 407,205
Work in progress	85,464	(11,227)	74,237
Finished goods	476,554	(11,089)	465,465
Merchandise	76,455	(19,417)	57,038
	$ 1,058,880	($ 54,935)	$ 1,003,945

	March 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 382,243	($ 16,982)	$ 365,261
Work in progress	75,184	(10,045)	65,139
Finished goods	531,040	(10,872)	520,168
Merchandise	86,607	(20,049)	66,558
	$ 1,075,074	($ 57,948)	$ 1,017,126

The cost of inventories recognised as expense for the period:

	Three months ended March 31	
	2024	2023
Cost of goods sold	$ 927,500	$ 853,157
(Gain on reversal of) loss on decline in market value (Note)	(4,631)	5,492
	$ 922,869	$ 858,649

Note: The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because it sold inventories which were previously provided with allowance for the three months ended March 31, 2024.

(5) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction in progress	Total
Balance at January 1, 2024							
Cost	$ 149,166	$ 1,377,820	$ 1,642,159	$ 102,037	$ 58,883	$ 71,944	$ 3,402,009
Accumulated depreciation	-	(398,422)	(1,018,627)	(80,641)	(42,326)	-	(1,540,016)
Accumulated impairment	-	-	(9,170)	-	-	-	(9,170)
	$ 149,166	$ 979,398	$ 614,362	$ 21,396	$ 16,557	$ 71,944	$ 1,852,823
Balance at January 1,	$ 149,166	$ 979,398	$ 614,362	$ 21,396	$ 16,557	$ 71,944	$ 1,852,823
Additions	-	3,104	11,544	761	813	5,737	21,959
Disposals	-	-	(391)	(20)	(14)	-	(425)
Reclassifications	-	704	30,673	473	7,590	(39,466)	(26)
Depreciation charge	-	(10,564)	(33,461)	(2,156)	(1,774)	-	(47,955)
Net exchange differences	1,366	20,510	9,723	320	(990)	1,345	32,274
Balance at March 31, 2024	$ 150,532	$ 993,152	$ 632,450	$ 20,774	$ 22,182	$ 39,560	$ 1,858,650
Balance at March 31, 2024							
Cost	$ 150,532	$ 1,406,224	$ 1,709,526	$ 102,780	$ 68,027	$ 39,560	$ 3,476,649
Accumulated depreciation	-	(413,072)	(1,067,728)	(82,006)	(45,845)	-	(1,608,651)
Accumulated impairment	-	-	(9,348)	-	-	-	(9,348)
	$ 150,532	$ 993,152	$ 632,450	$ 20,774	$ 22,182	$ 39,560	$ 1,858,650

	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction in progress	Total
Balance at January 1, 2023							
Cost	$ 144,820	$ 1,359,566	$ 1,579,609	$ 96,219	$ 67,347	$ 47,010	$ 3,294,571
Accumulated depreciation	-	(359,034)	(979,975)	(73,930)	(44,617)	-	(1,457,556)
Accumulated impairment	-	-	(9,352)	-	-	-	(9,352)
	$ 144,820	$ 1,000,532	$ 590,282	$ 22,289	$ 22,730	$ 47,010	$ 1,827,663
Balance at January 1,	$ 144,820	$ 1,000,532	$ 590,282	$ 22,289	$ 22,730	$ 47,010	$ 1,827,663
Additions	-	315	7,153	1,620	17	20,046	29,151
Disposals	-	-	(461)	(19)	(119)	-	(599)
Reclassifications	-	411	18,654	196	149	(19,261)	149
Depreciation charge	-	(10,345)	(33,195)	(2,422)	(1,707)	-	(47,669)
Net exchange differences	610	5,152	2,880	168	67	249	9,126
Balance at March 31, 2023	$ 145,430	$ 996,065	$ 585,313	$ 21,832	$ 21,137	$ 48,044	$ 1,817,821
Balance at March 31, 2023							
Cost	$ 145,430	$ 1,367,185	$ 1,605,714	$ 98,127	$ 64,469	$ 48,044	$ 3,328,969
Accumulated depreciation	-	(371,120)	(1,011,012)	(76,295)	(43,332)	-	(1,501,759)
Accumulated impairment	-	-	(9,389)	-	-	-	(9,389)
	$ 145,430	$ 996,065	$ 585,313	$ 21,832	$ 21,137	$ 48,044	$ 1,817,821

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(6) Lease agreements - lessee

A. The Group's leases include land, transportation equipment and office equipment. Rental contracts are typically made for periods of 1 to 50 years. The lease contract is negotiated individually and contains various terms and conditions. Except for the leased assets which cannot be used as security for borrowing purposes, there are no other restrictions on the lease.

B. The carrying amount of the right-of-use assets and the depreciation expense recognised were as follows:

	March 31, 2024		December 31, 2023		March 31, 2023	
	Carrying amount		Carrying amount		Carrying amount	
Land	$	57,889	$	57,168	$	59,689
Transportation equipment (Company vehicle)		7,559		3,768		1,150
Office equipment (Photocopier)		334		355		504
	$	65,782	$	61,291	$	61,343

	Three months ended March 31			
	2024		2023	
	Depreciation expenses		Depreciation expenses	
Land	$	382	$	385
Transportation equipment (Company vehicle)		493		176
Office equipment (Photocopier)		26		52
	$	901	$	613

C. The additions to right-of-use assets for the three months ended March 31, 2024 and 2023 were $4,220 and $363, respectively.

D. The information of the profits and loss items that are related to lease contracts is as follows:

	Three months ended March 31			
	2024		2023	
Items affecting current profit or loss				
Interest expense on lease liability	$	21	$	4
Expense on short-term lease contracts		938		906
Expense on leases of low-value assets		47		45

E. The Group's total lease cash outflows were $1,517 and $1,182 for the three months ended March 31, 2024 and 2023, respectively.

(7) Other non-current assets

	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid equipment	$ 86,022	$ 99,842	$ 83,622
Others	14,590	12,093	14,544
	$ 100,612	$ 111,935	$ 98,166

(8) Short-term borrowings

Type of borrowings	March 31, 2024	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 382,000	1.61%	None

Type of borrowings	December 31, 2023	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 382,000	1.53%	None

Type of borrowings	March 31, 2023	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 436,000	1.50%	None

Interest expense recognised in profit or loss amounted to $1,445 and $1,422 for the three months ended March 31, 2024 and 2023, respectively.

(9) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Wages and salaries payable	$ 144,996	$ 184,778	$ 129,782
Processing fees payable	17,511	19,987	18,388
Payable on machinery and equipment	15,791	28,908	16,753
Import / export expenses payable	6,059	5,267	4,192
Others	120,684	100,704	87,678
	$ 305,041	$ 339,644	$ 256,793

(10) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2024
Installment loans				
Secured borrowings	Borrowing period is from April 5, 2020 to April 30, 2030, principal is repayable in monthly installments	0.69%～0.80%	Note 8	$ 26,230
Secured borrowings	Borrowing period is from April 6, 2023 to March 1, 2029, principal is repayable in monthly installments	3.96%	Note 8	10,564
				36,794
Less: Current portion				(6,243)
				$ 30,551

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2023
Installment loans				
Secured borrowings	Borrowing period is from April 5, 2020 to April 30, 2030, principal is repayable in monthly installments	0.69%～0.80%	Note 8	$ 26,887
Secured borrowings	Borrowing period is from April 6, 2023 to March 1, 2029, principal is repayable in monthly installments	3.96%	Note 8	10,874
				37,761
				-
Less: Current portion				(6,123)
				$ 31,638

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2023
Installment loans				
Secured borrowings	Borrowing period is from April 5, 2020 to April 30, 2030, principal is repayable in monthly installments	0.69%～0.80%	Note 8	$ 29,328
Less: Current portion				(4,101)
				$ 25,227

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $25 and $25 for the three months ended March 31, 2024 and 2023, respectively.

(c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to $100.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on not lower than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the three months ended March 31, 2024 and 2023 were $9,526 and $8,375, respectively.

(12) Share capital

A. As of March 31, 2024, the Company's authorised capital was $1,300,000, consisting of 130,000 thousand shares of ordinary stock, and the paid-in capital was $757,803 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2024	2023
At January 1 (at March 31)	75,780 thousand shares	75,780 thousand shares

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if any, to be retained or to be appropriated which shall be resolved by the stockholders at the stockholders' meeting.

B. The Company distributes dividends taking into consideration the Company's economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of stockholders. Dividends distribution shall be resolved by the shareholders based on current year's profit and capital position.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. The appropriations of 2023 earnings as resolved by the Board of Directors on March 7, 2024 and the appropriations of 2022 earnings as resolved by the shareholders on June 21, 2023 are as follows:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 50,873		$ 46,204	
Special reserve	5,826		(57,607)	
Cash dividends	378,901	$ 5.00	303,121	$ 4.00
	$ 435,600		$ 291,718	

(15) Operating revenue

	Three months ended March 31	
	2024	2023
Revenue from contracts with customers	$ 1,235,312	$ 1,125,440

A. Disaggregation of revenue from contracts with customers

The Group derives revenue mainly from the transfer of goods at a point in time in the following major product areas:

	Production area			
2024	Taiwan	China	Europe	Total
Sales area				
America	$ 242,324	$ 153,898	$ -	$ 396,222
China	57,016	219,206	-	276,222
Asia (Except China)	20,573	83,470	-	104,043
Europe	109,615	112,947	184,387	406,949
Others	17,263	34,613	-	51,876
	$ 446,791	$ 604,134	$ 184,387	$ 1,235,312

	Production area			
2023	Taiwan	China	Europe	Total
Sales area				
America	$ 202,592	$ 128,839	$ -	$ 331,431
China	69,234	208,326	-	277,560
Asia (Except China)	16,517	71,102	-	87,619
Europe	113,872	63,152	225,672	402,696
Others	9,365	16,769	-	26,134
	$ 411,580	$ 488,188	$ 225,672	$ 1,125,440

B. Contract liabilities

(a) The Group has recognised the following contract liabilities of revenue from contracts with customers as a result of advance sales receipts:

	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities	$ 1,645	$ 2,053	$ 3,476

(b) The contract liabilities at the beginning of the period which were recognised in revenue for the three months ended March 31, 2024 and 2023 amounted to $2,053 and $892, respectively.

(16) Expenses by nature

	Three months ended March 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 184,662	$ 74,360	$ 259,022
Labour and health insurance fees	15,193	7,058	22,251
Pension costs	6,449	3,102	9,551
Other personnel expenses	8,680	5,197	13,877
Depreciation charge	41,529	7,327	48,856
Amortisation charge	76	4,603	4,679

	Three months ended March 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 158,781	$ 66,111	$ 224,892
Labour and health insurance fees	14,259	6,751	21,010
Pension costs	5,534	2,866	8,400
Other personnel expenses	7,210	5,176	12,386
Depreciation charge	40,897	7,385	48,282
Amortisation charge	59	2,327	2,386

A. In accordance with the Articles of Incorporation of the Company, if the Company has distributable profit of the current year, the Company shall distribute at not lower than 0.5% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. The Company shall distribute directors' remuneration at not more than 5% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders during their meeting.

B. For the three months ended March 31, 2024 and 2023, employees' compensation and directors' remuneration were accrued as follows:

	Three months ended March 31	
	2024	2023
Directors' remuneration	$ 600	$ 600
Employees' compensation	2,434	2,335
	$ 3,034	$ 2,935

The aforementioned amounts were recognised in salary expenses and were accrued based on the distributable profit for the three months ended March 31, 2024 and 2023 and the Company's Articles of Incorporation.

C. The directors' remuneration and employees' compensation for 2023 as resolved by the Board of Directors on March 7, 2024 amounted to $1,590 and $3,700, respectively. The differences between the amounts resolved by the Board of Directors and the directors' remuneration of $1,500 and employees' compensation of $9,511 recognised in the 2023 financial statements were regarded as changes in accounting estimates and recognised in profit or loss for 2024.

D. The directors' remuneration and employees' compensation for 2022 as resolved by the Board of Directors on March 17, 2023 amounted to $1,468 and $3,000, respectively. The differences between the amounts resolved by the Board of Directors and the directors' remuneration of $1,500 and employees' compensation of $8,947 recognised in the 2022 financial statements were regarded as changes in accounting estimates and recognised in profit or loss for 2023.

E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(17) Other gains and losses

	Three months ended March 31	
	2024	2023
Net currency exchange losses	($ 11,884)	($ 1,437)
Gains (lossess) on financial instruments at fair value through profit or loss	23,751	(3,524)
Governments grants (Note)	7,738	-
Gains on disposals of property, plant and equipment	793	127
Miscellaneous income (disbursements)	14,409	17,747
	$ 34,807	$ 12,913

Note: Governments grants mainly refer to the grants of the China government for economic investment and research and development investment.

(18) Income tax

A. Income tax (benefit) expense

(a) Components of income tax (benefit) expense:

	Three months ended March 31	
	2024	2023
Current tax:		
Current tax on profits for the period	$ 23,626	$ 22,680
Total current tax	23,626	22,680
Deferred tax:		
Origination and reversal of temporary differences	(96,903)	16,436
Income tax (benefit) expense	($ 73,277)	$ 39,116

(b) The income tax (charge) / credit relating to components of other comprehensive income is as follows:

	Three months ended March 31	
	2024	2023
Currency translation differences	($ 19,602)	($ 4,723)

B. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

C. The Group’s subsidiary, Huzhou Iron Force Metal Products Co., Ltd, is a productive foreign-invested enterprise established in the People's Republic of China. It has been approved by the National Taxation Bureau as a high-tech industry enterprise and is eligible for a preferential income tax rate of 15% from December 2023 to December 2025.

(19) Earnings per share

	Three months ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the period	$ 264,506	75,780	$ 3.49
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	99	
Profit plus all dilutive potential ordinary shares	$ 264,506	75,879	$ 3.49

	Three months ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the period	$ 94,578	75,780	$ 1.24
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	122	
Profit plus all dilutive potential ordinary shares	$ 94,578	75,902	$ 1.24

(20) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31	
	2024	2023
Purchase of property, plant and equipment	$ 21,959	$ 29,151
Add: Opening balance of payable on equipment	28,908	25,206
Less: Ending balance of payable on equipment	(15,791)	(16,753)
Add: Changes in prepayments for business facilities	(13,820)	(6,521)
Cash paid during the period	$ 21,256	$ 31,083

(21) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings
January 1, 2024	$ 382,000	$ 4,123	$ -	$ 37,761
Changes in cash flow from financing activities	-	(511)	-	-
Repayments of long-term borrowings	-	-	-	(1,531)
Impact of changes in foreign exchange rate	-	61	-	564
Changes in other non-cash items	-	4,220	-	-
March 31, 2024	$ 382,000	$ 7,893	$ -	$ 36,794

	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings
January 1, 2023	$ 484,000	$ 1,496	$ 299,371	$ 29,928
Changes in cash flow from financing activities	(48,000)	(227)	(300,000)	(1,005)
Impact of changes in foreign exchange rate	-	23	-	405
Changes in other non-cash items	-	363	629	-
March 31, 2023	$ 436,000	$ 1,655	$ -	$ 29,328

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hyphen Industrial Corp.	The Chairman of the Company and the Chairman of the entity are relatives within the second degree

(2) Significant related party transactions

	Three months ended March 31	
Rent and other income	2024	2023
Other related parties	$ 224	$ 224

The Group’s other income from other related parties arise mainly from income from managerial services and rental income.

(3) Key management compensation

	Three months ended March 31	
	2024	2023
Short-term employee benefits	$ 5,834	$ 5,523
Post-employment benefits	134	134
	$ 5,968	$ 5,657

8. Pledged Assets

The Group’s assets pledged as collateral are as follows

	Carrying amount			
Asset items	March 31, 2024	December 31, 2023	March 31, 2023	Purpose
Property, Plant and Equipment-Land	$ 9,450	$ 9,308	$ 9,089	Long-term borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Consultation service contract	$ 12,115	$ 15,860	$ 13,990
Property, plant and equipment	11,085	13,716	37,157
	$ 23,200	$ 29,576	$ 51,147

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) On May 3, 2024, the Company's Board of Directors resolved to issue the third domestic unsecured convertible bonds. The maximum total issue amount is expected to be $300 million with a par value of NT$100 thousand per bond.

(2) On May 3, 2024, the Company's Board of Directors resolved to increase its capital. The maximum number of shares to be issued is expected to be 3,800 thousand shares within the price range of NT$70 (in dollars) to NT$140 (in dollars) per share.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 22,148	$ 264,862	$ 738
Financial assets at amortised cost			
Cash and cash equivalents	$ 1,857,826	$ 1,406,535	$ 1,614,174
Notes receivable	-	11	11
Accounts receivable	1,217,953	1,241,098	1,023,618
Other receivables	29,935	25,976	26,319
Guarantee deposits paid (shown as other non-current assets)	2,553	2,506	4,275
	$ 3,108,267	$ 2,676,126	$ 2,668,397
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	$ -	$ 7,600	$ -
Financial liabilities at amortised cost			
Short-term borrowings	$ 382,000	$ 382,000	$ 436,000
Accounts payable	311,350	309,738	221,995
Other payables	305,041	339,644	256,793
Long-term borrowings (including due within one year)	36,794	37,761	29,328
	$ 1,035,185	$ 1,069,143	$ 944,116
Lease liabilities	$ 7,893	$ 4,123	$ 1,654

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to various currency risks arising from transactions denominated in different currencies, mainly in USD, EUR, and CNY. These currency risks arise from future commercial transactions and from recognised assets, liabilities, and net investments in foreign operations.

ii. Management has set up a policy to manage the foreign exchange risk against the functional currency. Each company within the Group should hedge its overall exchange rate risk through the Group's finance department. The Group's treasury uses forward foreign exchange contracts and structured deposits to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2024		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets			
Monetary items			
USD:NTD	$ 6,758	32.01	$ 216,290
EUR:NTD	5,453	34.49	188,074
RMB:NTD	13,517	4.41	59,610
USD:RMB	7,081	7.10	226,627
EUR:RMB	23,954	7.68	826,173
Financial liabilities			
Monetary items			
EUR:NTD	$ 23,943	34.49	$ 825,794

(Foreign currency: functional currency)	December 31, 2023 Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets			
Monetary items			
USD:NTD	$ 5,959	30.69	$ 182,882
EUR:NTD	7,380	33.97	250,699
RMB:NTD	21,664	4.33	93,805
USD:RMB	7,782	7.08	238,830
EUR:RMB	23,215	7.86	788,614
Financial liabilities			
Monetary items			
EUR:NTD	$ 23,715	33.97	$ 805,599

(Foreign currency: functional currency)	March 31, 2023 Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets			
Monetary items			
USD:NTD	$ 5,798	30.45	$ 176,549
EUR:NTD	3,084	33.17	102,296
RMB:NTD	15,550	4.43	68,887
USD:RMB	8,904	6.87	271,127
EUR:RMB	1,969	7.49	65,312
EUR:PLN	1,786	4.68	59,242
Financial liabilities			
Monetary items			
USD:NTD	$ 80	30.45	$ 2,436
EUR:NTD	1,613	33.17	53,503

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Three months ended March 31, 2024		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 2,163	$ -
EUR:NTD	1%	1,881	-
RMB:NTD	1%	596	-
USD:RMB	1%	2,266	-
EUR:RMB	1%	8,262	-
Financial liabilities			
Monetary items			
EUR:NTD	1%	$ 8,258	-

	Three months ended March 31, 2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 17,656	$ -
EUR:NTD	1%	1,023	-
RMB:NTD	1%	689	-
USD:RMB	1%	2,711	-
EUR:RMB	1%	653	-
EUR:PLN	1%	592	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 24	$ -
EUR:NTD	1%	535	-

The total exchange loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2024 and 2023, amounted to $11,884 and $1,437, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
March 31, 2024					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total book value	$ 1,134,232	$ 66,427	$ 23,077	$ 1,907	$ 1,225,643
Loss allowance	2,033	2,318	1,728	1,611	7,690

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
December 31, 2023					
Expected loss rate	0.14%~2.91%	0.52%~8.50%	1.30%~10.38%	75.91%~100%	
Total book value	$ 1,156,805	$ 63,335	$ 28,122	$ 1,795	$ 1,250,057
Loss allowance	2,683	2,722	2,178	1,376	8,959

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
March 31, 2023					
Expected loss rate	0.12%~0.16%	0.52%~3.36%	1.30%~10.38%	75.91%~100%	
Total book value	$ 942,729	$ 54,698	$ 29,792	$ 18,228	$ 1,045,447
Loss allowance	1,611	1,034	1,592	17,592	21,829

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2024
	Accounts receivable
At January 1	$ 8,959
Reversal of impairment loss	(1,269)
At March 31	$ 7,690

	2023
	Accounts receivable
At January 1	$ 21,563
Provision for impairment	266
At March 31	$ 21,829

(c) Liquidity risk

i. The cash flow forecasting is performed by various operating entities within the Group and is summarized by the Group's treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

ii. As of March 31, 2024, December 31, 2023 and March 31, 2023, the cash flows within 1 year of short-term borrowings, accounts payable, other payables, lease liabilities - current and long-term portion due within one year all are past due within 1 year and discounted, and are in agreement with the balance of each account in the balance sheets.

iii. The table below analyses the Group's derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Long-term borrowings (including due within one year)	$ 1,699	$ 5,096	$ 6,794	$ 20,383	$ 4,477

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Long-term borrowings (including due within one year)	$ 1,673	$ 5,010	$ 6,692	$ 20,075	$ 6,083

March 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Long-term borrowings (including due within one year)	$ 1,073	$ 3,218	$ 4,291	$ 12,873	$ 8,597

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment stocks in open market and beneficiary certificate is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s investment in forward foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Group’s financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, long-term borrowings (including current portion) and lease liabilities are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities on March 31, 2024, December 31, 2023 and March 31, 2023 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 528	$ 528
Forward foreign exchange contracts	-	21,620	-	21,620
	$ -	$ 21,620	$ 528	$ 22,148

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 259,943	$ -	$ -	$ 259,943
Equity securities	-	-	528	528
Forward foreign exchange contracts	-	4,391	-	4,391
	$ 259,943	$ 4,391	$ 528	$ 264,862
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 7,600	$ -	$ 7,600

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 280	$ 280
Forward foreign exchange contracts	-	458	-	458
	$ -	$ 458	$ 280	$ 738

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1.

ii. The estimated fair value of forward foreign exchange contracts, investment products convertible bonds-call option and structured investment are all included in level 2, which is evaluated based on the current forward exchange rate and yield.

iii. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

D. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 528	Market comparable companies	Discount for lack of marketability	0.09	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 528	Market comparable companies	Discount for lack of marketability	0.26	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 280	Market comparable companies	Discount for lack of marketability	0.25	The higher the discount for lack of marketability, the lower the fair value

E. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount on liquidity	±5%	$ 2	($ 2)	$ -	$ -

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount on liquidity	±5%	$ 5	($ 5)	$ -	$ -

			March 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount on liquidity	±5%	$ 5	($ 5)	$ -	$ -

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Refer to table 4.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1) H.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the reporting departments based on the report information used in making decisions by the board of directors.

The Group provides information by region to the operational decision makers for review. Currently, the Group divides its sales order region into three main areas: Taiwan, Mainland China, and Europe.

Therefore, in the operational department, Taiwan, Mainland China, and Europe are the departments to be reported.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Three months ended March 31, 2024				
	Taiwan	Mainland China	Europe	Adjustments and Eliminations	Consolidated
Revenue from external customers	$ 446,791	$ 604,134	$ 184,387	$ -	$ 1,235,312
Inter-segment revenue	-	12,185	-	(12,185)	-
Total segment revenue	$ 446,791	$ 616,319	$ 184,387	($ 12,185)	$ 1,235,312
Segment profit or loss	$ 264,506	$ 101,837	($ 1,532)	($ 100,305)	$ 264,506
Segment profit or loss:					
Depreciation expense	$ 12,987	$ 24,504	$ 11,365	$ -	$ 48,856
Income tax (benefit) expense	($ 91,833)	$ 17,584	$ 972	$ -	($ 73,277)
Segment Assets:					
Non-current assets	$ 5,457,668	$ 1,033,081	$ 527,342	($ 4,951,716)	$ 2,066,375

	Three months ended March 31, 2023				
	Taiwan	Mainland China	Europe	Adjustments and Eliminations	Consolidated
Revenue from external customers	$ 411,580	$ 488,188	$ 225,672	$ -	$ 1,125,440
Inter-segment revenue	-	6,377	-	(6,377)	-
Total segment revenue	$ 411,580	$ 494,565	$ 225,672	($ 6,377)	$ 1,125,440
Segment profit or loss	$ 94,578	$ 70,595	$ 17,190	($ 87,785)	$ 94,578
Segment profit or loss:					
Depreciation expense	$ 10,807	$ 26,658	$ 10,817	$ -	$ 48,282
Income tax expense	$ 25,703	$ 11,857	$ 1,556	$ -	$ 39,116
Segment Assets:					
Non-current assets	$ 4,876,460	$ 1,078,571	$ 462,777	($ 4,406,008)	$ 2,011,800

(3) Reconciliation for segment income (loss)

Sales between departments are conducted in accordance with the principle of fair value transactions. External revenues reported to the main operational decision-makers are measured consistently with the revenues in the income statement.

Iron Force Industrial Corporation and Subsidiaries

Loans to others

Three months ended March 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the three months ended March 31, 2024	Balance at March 31, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower (Note 4)	Reason for short-term financing (Note 5)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 6)	Ceiling on total loans granted (Note 6)	Footnote
0	Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	$ 103,470	$ 103,470	$ -	EURIBOR 12 months	2	$ -	Working capital	$ -	None	-	$ 470,649	$ 1,882,594	
1	Huzhou Iron Force Metal Products Co., Ltd	Zhejiang Iron Force Metal Products Co., Ltd.	Other receivables due from related parties	Y	131,460	66,150	-	0.00%	2	-	Working capital	-	None	-	1,965,079	3,930,157	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	1,034,700	1,034,700	689,800	0.65%	2	-	Working capital	-	None	-	1,965,079	3,930,157	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	68,980	68,980	34,490	0.65%	2	-	Working capital	-	None	-	1,965,079	3,930,157	
2	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Other receivables due from related parties	Y	120,715	120,715	63,807	EURIBOR 12 months	2	-	Working capital	-	None	-	165,987	331,975	
3	Transtat Investment Ltd.	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	18,243	18,243	18,243	0.00%	2	-	Working capital	-	None	-	2,044,684	4,089,368	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the nature of the loan as follows:

(1) Fill in 1 for business transactions.

(2) Fill in 2 for short-term financing.

Note 4: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 5: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 6： The calculation method for limit on loans is as follow:

(1) The ceiling on total loans granted by the Company to others shall not exceed 40% of the Company’s net assets. For the companies having business relationship with the Company, ceiling on total loans granted shall not exceed 10% of the Company’s net assets; where the Board of Directors deems the need for short-term financing, ceiling on total loans granted shall not exceed 30% of the Company’s net assets.

(2) The limit on loans granted by the Company to a single party who has business relationship with the Company shall not exceed the higher of 30% of the business transaction amount between the borrower and the Company in the most recent year or 120% of the business transaction amount in the most recent three months, and shall not exceed 10% of the Company’s net assets; where the Board of Directors deems the need for short-term financing, limit on total loans granted to a single party shall not exceed 10% of the Company’s net assets.

(3) For loans granted between foreign companies whose voting rights are 100% held directly and indirectly by the Company or granted to the borrower by the foreign company whose voting rights are 100% held directly and indirectly by the Company, the ceiling on total loans granted shall not exceed 100% of the creditor’s net assets; limit on loans granted to a single party shall not exceed 50% of the creditor’s net assets. The financing period depends on the borrower’s capital needs, but it shall not exceed five years.

(4) The limit on loans to a single party by the subsidiary is 50% of its net assets, and ceiling on total loans granted is 100% of its net assets.

Iron Force Industrial Corporation and Subsidiaries

Provision of endorsements and guarantees to others

Three months ended March 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Relationship with the investor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	outstanding endorsement/ guarantee amount as of March 31, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at March 31, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral	accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor	Ceiling on total amount of endorsements/guarantees provided (Note 3)	endorsements/ guarantees by parent company to subsidiary (Note 7)	endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Footnote
0	Iron Force Industrial Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd	2	$ 1,176,621	$ 224,035	$ 224,035	$ -	$ -	5%	$ 2,353,243	Y	N	Y	Notes 3(1) and (2)
1	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	4	165,987	57,833	57,833	31,515	-	1%	331,975	N	N	N	Note 3(3)
2	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	2	1,965,079	876,400	-	-	-	0%	3,930,157	N	Y	N	Note 3(3)

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor the Group’s “Procedures for Provision of Endorsements and Guarantees” are as follows.

(1) The ceiling on total amount of endorsements/guarantees shall not exceed 50% of the Company’s net assets.

(2) The limit on endorsements and guarantees provided for a single party shall not exceed 25% of the Company’s net assets:

(2.1) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount is the total value of purchases, sales and other business transactions during the most recent year and shall not exceed 10% of the Company’s net assets.

(2.2) For the companies having parent-subsidiary relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount shall not exceed 10% of the Company’s net assets. However, for the companies which the Company holds 100% of the voting rights directly or indirectly, endorsements and guarantees is not limited.

(3) The limit on endorsements and guarantees provided to a single party by the subsidiary is 50% of its net assets, and ceiling on total endorsements and guarantees provided is 100% of its net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Iron Force Industrial Corporation and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2024				
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Iron Force Industrial Co., Ltd.	Stock / MKD Technology Inc	-	Financial assets at fair value through profit or loss - current	400,000	$ 528	1%	$ 528	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Iron Force Industrial Corporation and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Disposal (Notes 3 and 5)				Balance as at March 31, 2024	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal (Note 6)	Number of shares	Amount
Huzhou Iron Force Metal Products Co., Ltd	Fund investment	Financial assets at fair value through profit or loss - current	-	-	-	$ 259,943	-	$ -	-	$ 259,943	$ 259,943	$ -	-	$ -

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.
Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.
Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.
Note 5: The difference between sales price and book value plus gain (loss) on disposal is the transaction fee and tax.
Note 6: The investment is recorded under financial assets at fair value through profit or loss, and gains (losses) on valuation are recognised quarterly.
Note 7: The amount at the beginning of the period includes gains (losses) on valuation of the previous period, the addition in the current period is the amount of purchase cost, and the amount at the end of the period includes gains (losses) on valuation in the current period.

Iron Force Industrial Corporation and Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

March 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2024			Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
							Amount	Action taken		
Huzhou Iron Force Metal Products Co.,	Iron Force Industrial	Parent company	Other receivables	$	679,879	Not applicable	$ -	-	$ -	$ -

Iron Force Industrial Corporation and Subsidiaries

Information on investees

Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at March 31, 2024					
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares (in thousands)	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2024 (Note 2(2))	Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2(3))	Footnote
Iron Force Industrial Co., Ltd.	Transtat Investment Ltd.	Hong Kong	Holding company	$ 873,960	$ 873,960	25,997	100%	$ 4,077,386	$ 101,837	$ 101,837	
Iron Force Industrial Co., Ltd.	Cortec GmbH	Germany	Sales and purchases of hangers and display fixtures	27,104	27,104	750	100%	334,934	4,460	4,460	
Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Poland	Producing and sales of automotive safety components	658,901	658,901	1,600	100%	551,104	(5,992)	(5,992)	
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Germany	Producing and sales and purchases of hangers and display fixtures	889	889	-	100%	(4,526)	1,422	1,422	
Cortec GmbH	Cortec Verwaltungs GmbH	Germany	Management consulting company	881	881	-	100%	922	(6)	(6)	

Note 1: If a public company is equipped with an overseas holding company and takes parent company only financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at March 31, 2024' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the three months ended March 31, 2024' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognised by the Company for the three months ended March 31, 2024' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Iron Force Industrial Corporation and Subsidiaries

Information on investments in Mainland China

Three months ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 4)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net income of investee for the three months ended March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2)	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers, display fixtures and metal fixture	$ 160,025	(2)	$ 143,346	$ -	$ -	$ 143,346	$ 4,264	100%	$ 4,264	$ 141,029	$ -	
Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	1,378,135	(2)	703,149	-	-	703,149	97,777	100%	97,777	3,930,157	266,036	(Note 5)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Iron Force Industrial Co., Ltd.	$ 846,495	$ 846,495	$ 2,823,891

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China..

(2) Investing through Transtat Investment Ltd., an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: Investment income (loss) was recognised based on the financial reports reviewed by the parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: (1) The differences between the paid-in capital of Zhejiang Iron Force Metal Products Co., Ltd. amounting to US$5,000 thousand and the accumulated amount of remittance from Taiwan amounting to US$4,734 thousand is US$266 thousand. This resulted from using dividends distribution of Huzhou Iron Force Metal Products Co., Ltd. amounting to US$400 thousand as the capital contribution to invest in Zhejiang Iron Force Metal Products Co., Ltd. and purchasing shares from the related parties at a premium price of US$ 134 thousand.

(2) The differences between the paid-in capital of Huzhou Iron Force Metal Products Co., Ltd. amounting to US$43,060 thousand and the accumulated amount of remittance from Taiwan amounting to US$22,200 thousand is US$20,860 thousand. This resulted form purchasing shares from the related parties at a premium price of US$1,140 thousand and the capital increase out of earnings of Huzhou Iron Force Metal Products Co., Ltd. in 2019 and 2021 in the amount of US$22,000 thousand.

Note 5: As of March 31, 2024, the accumulated amount of investment income remitted back to Taiwan by Huzhou Iron Force Metal Products Co., Ltd. amounted to US$8,625 thousand.

Iron Force Industrial Corporation and Subsidiaries

Major shareholders information

March 31, 2024

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
MengChing Investment Co., Ltd.	19,386,486	25.58%
Zhengyu Investment Co., Ltd.	4,942,980	6.52%