English Translation of Consolidated Financial Statements Originally Issued in Chinese

Ticker：2072

CENTURY WIND POWER CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
AS OF JUNE 30, 2023 AND 2022
AND FOR THE SIX-MONTH PERIODS THEN ENDED

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Consolidated Financial Statements
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English Translation of Consolidated Financial Statements Originally Issued in Chinese

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To: The Board of Directors and Shareholders
Century Wind Power Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Century Wind Power Co., Ltd. (the "Company") and its subsidiaries as of June 30, 2023 and 2022, and the related consolidated statements of comprehensive income, the related consolidated statements of changes in equity and cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. 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 Standards 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

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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 Company and its subsidiaries as of June 30, 2023 and 2022, and their consolidated financial performance and cash flows for the six-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Cheng, Ching-Piao

/s/Lin, Cheng-Wei

Ernst & Young,
Taiwan, R.O.C.
August 9 th, 2023

Notices to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of June 30, 2023, December 31, 2022 and June 30, 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of June 30, 2023		As of December 31, 2022		As of June 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$164,778	1	$248,109	2	$197,476	2
1136	Financial assets measured at amortized cost	6(2), 8	1,247,825	8	1,184,990	8	534,169	4
1140	Contract assets	6(17), 7	2,330,582	14	2,600,522	18	2,503,771	18
1170	Trade receivables, net	6(3)	233,587	1	13,057	-	294,613	2
1180	Trade receivables - related parties	6(3), 7	3,496	-	16,548	-	1,979	-
1200	Other receivables		365,874	2	104,663	1	108,248	1
1210	Other receivables - related parties	7	4,500	-	288	-	153	-
1310	Inventories, net	6(4)	340,641	2	15,355	-	15,399	-
1410	Prepayments	7	447,043	3	317,336	2	185,576	1
1470	Other current assets		179,205	1	44,150	-	21,747	-
11xx	Total current assets		5,317,531	32	4,545,018	31	3,863,131	28
	Non-current assets							
1535	Financial assets measured at amortized cost	6(2), 8	376,334	2	373,215	3	1,561,961	11
1550	Investments accounted for under equity method	6(5)	24,423	-	24,074	-	20,688	-
1600	Property, plant and equipment	6(6)	8,537,659	51	7,379,456	51	6,772,836	49
1755	Right-of-use assets	6(19), 7	2,021,531	12	1,904,232	13	1,530,612	11
1780	Intangible assets	6(7)	6,329	-	7,397	-	6,303	-
1840	Deferred income tax assets	4, 6(22)	263,239	2	243,032	2	138,342	1
1990	Other non-current assets	6(8), 7	83,458	1	54,425	-	31,845	-
15xx	Total non-current assets		11,312,973	68	9,985,831	69	10,062,587	72
1xxx	Total Assets		$16,630,504	100	$14,530,849	100	$13,925,718	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Continued)

As of June 30, 2023, December 31, 2022 and June 30, 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of June 30, 2023		As of December 31, 2022		As of June 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(9), 8	$905,799	5	$556,165	4	$875,315	6
2110	Short-term notes and bills payable	6(10)	299,531	2	299,563	2	199,862	1
2130	Contract liabilities	6(17), 7	1,007,063	6	470,732	3	490,644	4
2150	Notes payable		103,435	1	51,773	-	42,648	-
2160	Notes payable - related parties	7	29,838	-	78,427	1	-	-
2170	Trade payable		452,865	3	83,309	1	128,391	1
2180	Trade payable - related parties	7	315,404	2	418,226	3	295,571	2
2200	Other payables	6(11)	403,694	2	428,816	3	850,885	6
2220	Other payables - related parties	7	246,105	2	191,321	1	218,966	2
2230	Current income tax liabilities	4,6(22)	-	-	-	-	48,683	-
2250	Current provision	6(12)	70,844	-	30,667	-	20,254	-
2281	Lease liabilities	6(19)	174,363	1	146,085	1	125,815	1
2282	Lease liabilities - related parties	6(19), 7	6,623	-	7,154	-	3,253	-
2322	Current portion of long-term loans	6(14), 8	243,474	2	147,737	1	88,889	1
2365	Refund liabilities	6(13)	-	-	678,403	5	671,457	5
2399	Other current liabilities		13,424	-	7,796	-	8,259	-
21xx	Total current liabilities		4,272,462	26	3,596,174	25	4,068,892	29
	Non-current liabilities							
2540	Long-term loans	6(14), 8	5,607,396	34	4,181,259	29	4,785,451	35
2570	Deferred tax liabilities	4,6(22)	2,087	-	4,064	-	708	-
2581	Lease liabilities	6(19)	1,859,106	11	1,759,233	12	1,425,151	10
2582	Lease liabilities - related parties	6(19), 7	7,825	-	10,853	-	3,618	-
2600	Other non-current liabilities	7	302	-	223	-	83	-
25xx	Total non-current liabilities		7,476,716	45	5,955,632	41	6,215,011	45
2xxx	Total liabilities		11,749,178	71	9,551,806	66	10,283,903	74
	Equity attributable to shareholders of the parent							
3100	Capital	6(16)						
3110	Common stock		1,200,000	7	1,200,000	8	1,000,000	7
3200	Capital surplus	6(16)	3,622,049	22	4,029,234	28	2,324,364	17
3300	Retained earnings							
3310	Legal reserve		140,593	1	140,593	1	140,593	1
3350	Unappropriated earnings	6(16)	(93,774)	(1)	(407,185)	(3)	160,314	1
36xx	Non-controlling interests	6(16), 6(24)	12,458	-	16,401	-	16,544	-
3xxx	Total equity		4,881,326	29	4,979,043	34	3,641,815	26
	Total liabilities and equity		$16,630,504	100	$14,530,849	100	$13,925,718	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the six-month periods ended June 30, 2023 and 2022

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

Code	Accounts	Notes	For the six-month period ended June 30, 2023		For the six-month period ended June 30, 2022	
			Amount	%	Amount	%
4000	Operating revenues	6(17), 7	$2,563,233	100	$1,696,099	100
5000	Operating costs	7	(2,484,246)	(97)	(1,615,222)	(95)
5900	Gross profit		78,987	3	80,877	5
6000	Operating expenses	7				
6100	Sales and marketing		(58,650)	(2)	(22,080)	(1)
6200	General and administrative		(66,893)	(3)	(64,307)	(4)
	Total operating expenses		(125,543)	(5)	(86,387)	(5)
6900	Operating income (loss)		(46,556)	(2)	(5,510)	-
7000	Non-operating incomes and expenses	6(21), 7				
7100	Interest income		13,069	1	2,640	-
7010	Other incomes		1,910	-	6,514	-
7020	Other gains or losses		(4,287)	-	41,850	3
7050	Finance costs		(88,886)	(4)	(31,196)	(2)
7060	Share of the profit or loss of associates and joint ventures	6(5)	4,849	-	2,816	-
	Total non-operating incomes and expenses		(73,345)	(3)	22,624	1
7900	Income (loss) before income tax		(119,901)	(5)	17,114	1
7950	Income tax expense (income)	4, 6(22)	22,184	1	(10,618)	(1)
8200	Net income (loss)		(97,717)	(4)	6,496	-
8300	Other comprehensive income (loss)		-	-	-	-
8500	Total comprehensive income (loss)		$(97,717)	(4)	$6,496	-
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		$(93,774)	(4)	$6,320	-
8620	Non-controlling interests		(3,943)	-	176	-
			$(97,717)	(4)	$6,496	-
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		$(93,774)	(4)	$6,320	-
8720	Non-controlling interests	6(24)	(3,943)	-	176	-
			$(97,717)	(4)	6,496	-
9750	Earnings per share-basic (in NTD)	6(23)	$(0.78)		$0.06	
9850	Earnings per share-diluted (in NTD)	6(23)	$(0.78)		$0.06	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent						
				Retained Earnings				
		Capital	Capital Surplus	Legal reserve	Unappropriated Earings	Total	Non-controlling Interests	Total Equity
Code	Items	3100	3200	3310	3350	31xx	36xx	3xxx
A1	Balance as of January 1, 2022	$1,000,000	$2,324,364	$76,816	$637,771	$4,038,951	$16,368	$4,055,319
	Appropriation and distribution of 2021 earnings:							
B1	Legal reserve			63,777	(63,777)	-		-
B5	Cash dividends-common shares				(420,000)	(420,000)		(420,000)
D1	Net income for the six-month period ended June 30, 2022				6,320	6,320	176	6,496
D3	Other comprehensive income for the six-month period ended June 30, 2022				-	-	-	-
D5	Total comprehensive income	-	-	-	6,320	6,320	176	6,496
Z1	Balance as of June 30, 2022	$1,000,000	$2,324,364	$140,593	$160,314	$3,625,271	$16,544	$3,641,815
A1	Balance as of January 1, 2023	$1,200,000	$4,029,234	$140,593	$(407,185)	$4,962,642	$16,401	$4,979,043
	Accumulated depicits offset of 2022 :							
C11	Capital surplus used to offset accumulated deficits		$(407,185)		$407,185	-		-
D1	Net loss for the six-month period ended June 30, 2023				(93,774)	(93,774)	(3,943)	(97,717)
D3	Other comprehensive income for the six-month period ended June 30, 2023				-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	(93,774)	(93,774)	(3,943)	(97,717)
Z1	Balance as of June 30, 2023	$1,200,000	$3,622,049	$140,593	$(93,774)	$4,868,868	$12,458	$4,881,326

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the six-month periods ended June 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the six-month periods ended June 30,	
		2023	2022
AAAA	Cash flows from operating activities:		
A10000	Net income (loss) before tax	$(119,901)	$17,114
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (including right-of-use assets)	331,317	173,759
A20200	Amortized expense	1,068	795
A20900	Interest expense	88,886	31,196
A21200	Interest income	(13,069)	(2,640)
A22300	Share of the profit or loss of associates and joint ventures	(4,849)	(2,816)
A22600	Property, plan and equipment transferred to expenses	3,050	-
A30000	Changes in operating assets and liabilities:		
A31125	Contract assets	269,940	(419,209)
A31150	Trade receivables	(220,530)	(167,948)
A31160	Trade receivable - related parties	13,052	39,033
A31180	Other receivables	(344,661)	(15,325)
A31190	Other receivables - related parties	288	615
A31200	Inventories	(325,286)	(7,476)
A31230	Prepayments	(129,707)	1,806
A31240	Other current assets	(135,055)	(5,460)
A31990	Other non-current assets	-	1,212
A32125	Contract liabilities	536,331	(33,034)
A32130	Notes payable	51,662	10,659
A32140	Notes payable - related parties	(48,589)	(4,200)
A32150	Trade payable	369,556	(32,775)
A32160	Trade payable - related parties	(102,822)	159,105
A32180	Other payables	9,774	(8,269)
A32190	Other payables - related parties	54,784	140,230
A32200	Provision	40,177	11,620
A32230	Other current liabilities	(672,775)	217,199
A33000	Cash generated from (used in) operations	(347,359)	105,191
A33300	Interest paid	(86,206)	(27,333)
A33500	Income tax returned (paid)	88,684	(218,801)
AAAA	Net cash provided by (used in) operating activities	(344,881)	(140,943)

Code	Items	For the six-month periods ended June 30,	
		2023	2022
BBBB	Cash flows from investing activities:		
B00040	Acquisition of financial assets measured at amortized cost	(65,954)	(549,318)
B02700	Acquisition of property, plant and equipment	(1,402,452)	(1,122,043)
B03700	Decrease (increase) in refundable deposits	(66,669)	(676)
B04500	Acquisition of intangible assets	-	(1,243)
B07500	Interest received	7,835	2,411
BBBB	Net cash provided by (used in) investing activities	(1,527,240)	(1,670,869)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	1,887,528	1,325,846
C00200	Repayment of short-term loans	(1,537,894)	(1,080,599)
C00500	Increase in short-term notes and bills payable	999,968	199,490
C00600	Decrease in short-term notes and bills payable	(1,000,000)	(50,000)
C01600	Increase in long-term loans	4,706,039	3,443,000
C01700	Repayments of long-term loans	(3,184,165)	(2,027,473)
C03000	Increase (decrease) in guarantee deposits	79	83
C04020	Cash payments for the principal portion of the lease liabilities	(82,765)	(64,403)
CCCC	Net cash provided by (used in) financing activities	1,788,790	1,745,944
EEEE	Increase (decrease) in cash and cash equivalents	(83,331)	(65,868)
E00100	Cash and cash equivalents at beginning of period	248,109	263,344
E00200	Cash and cash equivalents at end of period	$164,778	$197,476

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

1. History and organization

Century Wind Power Co., Ltd. (the "Company") was incorporated on May 15, 2017. The main activities of the Company include the projects of power generation, transmission, distribution, mechanical equipment manufacturing and installation services. The Company's stocks have been approved to be listed and trade in Emerging Stock Market of Taipei Exchange in November 2020.

The Company's registered office and the main business location are at No. 388-5, Sec. 3, Zhongshan Rd., Bali Dist., New Taipei City, Taiwan. Century Iron and Steel Industrial Co., Ltd. is the Company's parent company, which is also the ultimate controller of the Group to which the Company belongs to.

2. Date and procedures of authorization of financial statements for issuing

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month periods ended June 30, 2023 and 2022 were authorized to be issued by the Board of Directors on August 9th, 2023.

3. Newly issued or revised standards and interpretations

(1)Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(2)Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
f	International Tax Reform – Pillar Two Model Rules– Amendments to IAS 12	January 1, 2023
g	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a)IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b)IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c)Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d)Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e)Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(f)International Tax Reform – Pillar Two Model Rules– Amendments to IAS 12

The amendments introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and targeted disclosure requirements for affected entities. An entity is not required to disclose the information required for any interim period ending on or before December 31, 2023.

(g)Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group assesses all standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1)Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34, “Interim Financial Reporting,” as endorsed and became effective by the FSC.

Except for the following 4(3)～4(4), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2022.

(2)Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3)Basis of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the consolidated financial statements for the year ended December 31, 2022. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2022.

The consolidated entities are listed as follows:

			Percentage of ownership (%) as of		
Investor	Subsidiary	Main businesses	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
The Company	Century Bladt Foundations Co., Ltd.	Consulting services of construction management	66.60%	66.60%	66.60%

(4)Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Interim period income tax expense is accrued using the tax rate that would be applicable to total expected annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, "Income Tax." The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

5. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The same significant accounting judgements, estimates and assumptions have been applied in the Company's consolidated financial statements for the six-month period ended June 30, 2023 as those applied in the Company's consolidated financial statements for the year ended December 31, 2022. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2022.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Checking and savings	$164,778	$248,109	$197,476

(2) Financial assets measured at amortized cost

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Restricted deposits	$1,624,159	$1,558,205	$2,096,130
Current	$1,247,825	$1,184,990	$534,169
Non-current	$376,334	$373,215	$1,561,961

The Group deals with financial institution with good credit condition, there is no significant credit risk.

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(3) Trade receivables and trade receivables-related parties

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Trade receivables	$233,587	$13,057	$294,613
Less: loss allowance	-	-	-
Subtotal	233,587	13,057	294,613
Trade receivables-related parties	3,496	16,548	1,979
Less: loss allowance	-	-	-
Subtotal	3,496	16,548	1,979
Total	$237,083	$29,605	$296,592

Trade receivables were not pledged.

Trade receivables are generally on 20-60 day terms after invoice is issued. The Group collects receivables from construction and rendering of services based on the completion status of contracts. The total carrying amount were NT$237,083 thousand, NT$29,605 thousand and NT$296,592 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. Please refer to Note 6 (18) for more details on loss allowance of trade receivables and Note 12 for more details on credit risk for the six-month periods ended June 30, 2023 and 2022, respectively.

(4) Inventories

A. The details of the net inventory are as follows:

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Raw materials	$330,337	$10,600	$10,600
Consumables	9,791	3,993	2,074
Supplies	513	762	2,725
Total	$340,641	$15,355	$15,399

B. The cost of inventories recognized in expenses amounted to NT$2,484,246 thousand and NT$1,615,222 thousand for the six-month periods ended June 30, 2023 and 2022, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

C. No inventories were pledged.

(5) Investments accounted for under the equity method

	As of					
	Jun. 30, 2023		Dec. 31, 2022		Jun. 30, 2022	
Investees	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)
Investments in associates:						
Century Heavy Industry International Co., Ltd.	$24,423	25.00%	$24,074	25.00%	$20,688	25.00%

A. Investments in associates

The Group invested in Century Heavy Industry International Co., Ltd. amounting to NT$15,000 thousand for its 25% of ownership interest in 2019. The investment has been accounted for as an investment in associates under equity method because the Group had significant influence accordingly.

The Group's investments in associates are not individually material. The aggregate financial information of the Group's investments in associates is as follows:

	For the six-month period ended June 30,	
	2023	2022
Profit from continuing operations	$4,849	$2,816
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$4,849	$2,816

B. The associates had no contingent liabilities or capital commitments and were not pledged as collateral as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(6) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Construction in progress and equipment awaiting inspection	Total
Cost:							
As of Jan. 1, 2023	$173,888	$4,874,159	$1,265,529	$42,591	$15,681	$1,529,694	$7,901,542
Additions	-	-	52,992	-	2,635	1,189,612	1,245,239
Disposals	-	-	(4,216)	-	-	-	(4,216)
Other changes	-	-	678,267	3,594	-	(524,588)	157,273
As of Jun. 30, 2023	$173,888	$4,874,159	$1,992,572	$46,185	$18,316	$2,194,718	$9,299,838
As of Jan. 1, 2022	$-	$1,825,878	$576,465	$19,791	$10,525	$3,599,736	$6,032,395
Additions	173,888	55,705	10,684	5,476	1,651	681,105	928,509
Disposals	-	-	(17)	-	(139)	-	(156)
Other changes	-	325,286	447,730	13,474	2,252	(643,285)	145,457
As of Jun. 30, 2022	$173,888	$2,206,869	$1,034,862	$38,741	$14,289	$3,637,556	$7,106,205
Depreciation and impairment:							
As of Jan. 1, 2023	$-	$315,915	$193,359	$6,781	$6,031	$-	$522,086
Depreciation	-	133,721	103,062	2,667	1,809	-	241,259
Disposals	-	-	(1,166)	-	-	-	(1,166)
As of Jun. 30, 2023	$-	$449,636	$295,255	$9,448	$7,840	$-	$762,179
As of Jan. 1, 2022	$-	$154,800	$68,133	$2,404	$3,119	$-	$228,456
Depreciation	-	53,723	47,955	1,951	1,440	-	105,069
Disposals	-	-	(17)	-	(139)	-	(156)
As of Jun. 30, 2022	$-	$208,523	$116,071	$4,355	$4,420	$-	$333,369
Net carrying amount as of:							
As of Jun. 30, 2023	$173,888	$4,424,523	$1,697,317	$36,737	$10,476	$2,194,718	$8,537,659
As of Dec. 31, 2022	$173,888	$4,558,244	$1,072,170	$35,810	$9,650	$1,529,694	$7,379,456
As of Jun. 30, 2022	$173,888	$1,998,346	$918,791	$34,386	$9,869	$3,637,556	$6,772,836

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

A. Please refer to Note 8 for details on property, plant and equipment under pledge.

B. Significant components of property, plant and equipment are depreciated separately over their useful lives.

(7) Intangible assets

	Computer software
Cost:	
As of Jan. 1, 2023	$10,295
Additions – acquired separately	-
Derecognized upon retirement	-
As of Jun. 30, 2023	$10,295
As of Jan. 1, 2022	$7,096
Additions – acquired separately	1,243
Derecognized upon retirement	-
As of Jun. 30, 2022	$8,339
Amortization and impairment:	
As of Jan. 1, 2023	$2,898
Amortization	1,068
Derecognized upon retirement	-
As of Jun. 30, 2023	$3,966
As of Jan. 1, 2022	$1,241
Amortization	795
Derecognized upon retirement	-
As of Jun. 30, 2022	$2,036
Net carrying amount as of:	
As of Jun. 30, 2023	$6,329
As of Dec. 31, 2022	$7,397
As of Jun. 30, 2022	$6,303

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Intangible assets recognition of amortization:

	For the six-month period ended June 30,	
	2023	2022
Manufacturing overheads	$761	$396
Marketing expenses	27	27
Administrative expenses	280	372
Total	$1,068	$795

(8) Other non-current assets

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Prepayments in equipments	$1,614	$39,250	$26,925
Refundable deposits	80,700	14,031	4,337
Long-term prepayments	1,144	1,144	583
Total	$83,458	$54,425	$31,845

(9) Short-term loans

A.Details of short-term loans are as follows:

		As of		
	Interest Rate (%)	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Unsecured bank loans	1.65%~2.31%	$539,521	$446,247	$195,725
Secured bank loans	1.175%~2.82%	366,278	109,918	679,590
Total		$905,799	$556,165	$875,315

B.The Group’s unused short-term lines of credits amount to NT$1,407,002 thousand, NT$1,238,194 thousand and NT$765,241 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

C.Please refer to Note 8 for more details on assets pledged as security for short-term loans.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(10) Short-term notes and bills payable

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Commercial papers	$300,000	$300,000	$200,000
Less: unamortized discount	(469)	(437)	(138)
Total	$299,531	$299,563	$199,862

(11) Other payables

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Accrued expense	$191,545	$181,771	$173,261
Accrued interest	6,747	4,067	3,863
Payables on equipment	205,402	242,978	253,761
Payables on dividend	-	-	420,000
Total	$403,694	$428,816	$850,885

(12) Current provision

	Warranties
As of Jan. 1, 2023	$30,667
Arising during the period	40,177
Utilized and unused provision reversed	-
As of Jun. 30, 2023	$70,844
As of Jan. 1, 2022	$8,634
Arising during the period	11,620
Utilized and unused provision reversed	-
As of Jun. 30, 2022	$20,254

Warranties

A provision is recognized for expected warranty claim based on contract terms and management's judgement regarding estimate of future economic benefit outflow due to the warranty obligations.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(13) Refund liability

	Refund liability
As of Jan. 1, 2023	$678,403
Arising during the period	-
Utilized and unused provision reversed	(678,403)
As of Jun. 30, 2023	$-
As of Jan. 1, 2022	$450,207
Arising during the period	221,250
Utilized and unused provision reversed	-
As of Jun. 30, 2022	$671,457

Refund liability is based on historical experience, management's judgment and other known factors to estimate possible future contract price discounts, and recognized as a deduction of operating revenues.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(14) Long-term loans

Details of long-term loans are as follows:

Lenders	Jun. 30, 2023	Repayment
Secured syndicated loans from Taiwan Business Bank and others	$1,000,000	Secured bank loans guaranteed by land and buildings. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty months. There will be a repayment at an interval of every six months in the future. Pay back the principal in six periods. The amount for the first five periods is 5% of the principal. 75% of the remaining principal will be paid at the sixth period. The annual interest rate is 2.55%.
Secured syndicated loans from Taiwan Business Bank and others	458,595	Secured bank loans guaranteed by equipment. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty-six months. There will be a repayment at an interval of every six months in the future. Pay back the principal in five periods. The amount for the first four periods is 10% of the principal. The remaining 60% of the principal will be paid at the fifth period. The annual interest rate is 2.55%~7.21%.
Secured syndicated loans from Taiwan Business Bank and others	4,000,000	Secured bank loans, repayment was made until March, 2026. The annual interest rate is 2.55%.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Lenders	Jun. 30, 2023	Repayment
Credit loans from The Chang Hwa Commercial Bank, Ltd.	101,587	Credit loans - Since April, 2022, repay to eight installments by every three month. Interest payment was made at the end of each month. The annual interest rates is 1.75%.
Credit loans from Mega International Commercial Bank	300,745	Credit loans-Since November 2022, interest payment was made at the end of each month. The principal of loans should be refunded at maturity. The annual interest rate is 1.80%~2.20%.
Total	5,860,927	
Less: current portion	(243,474)	
Arrangement fee	(10,057)	
Non-current portion	$5,607,396	

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Lenders	Dec. 31, 2022	Repayment
Secured syndicated loans from Taiwan Business Bank and others	$1,000,000	Secured bank loans guaranteed by land and buildings. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty months. There will be a repayment at an interval of every six months in the future. Pay back the principal in six periods. The amount for the first five periods is 5% of the principal. 75% of the remaining principal will be paid at the sixth period. The annual interest rate was 1.84%~2.16%.
Secured syndicated loans from Taiwan Business Bank and others	458,486	Secured bank loans guaranteed by equipment. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty-six months. There will be a repayment at an interval of every six months in the future. Pay back the principal in five periods. The amount for the first four periods is 10% of the principal. 60% of the remaining principal will be paid at the fifth period. The annual interest rate was 1.39%~2.16%.
Secured syndicated loans from Taiwan Business Bank and others	2,530,000	Secured bank loans, repayment is expired until March, 2026. Monthly interest payments were paid. The annual interest rate was 1.84%~2.16%.
Credit loans from The Chang Hwa Commercial Bank	152,381	Credit loans - Since April 2022, repay to eight installments by every three month. Interest payment was made at the end of each month. The annual interest rates was 1.25%~1.63%.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Lenders	Dec. 31, 2022	Repayment
Credit loans from The Mega International Commercial Bank	200,000	Credit loans - Since November 2022, Repayment will be at maturity. Interest payment was made at the end of each month.The annual interest rate was 1.55%~1.68% .
Total	4,340,867	
Less: current portion	(147,737)	
Arrangement fee	(11,871)	
Non-current portion	$4,181,259	

Lenders	Jun. 30, 2022	Repayment
Secured syndicated loans from Taiwan Business Bank and others	$1,000,000	Secured bank loans guaranteed by land and buildings. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty months. There will be a repayment at an interval of every six months in the future. Pay back the principal in six periods. The amount for the first five periods is 5% of the principal. 75% of the remaining principal will be paid at the sixth period. The annual interest rate was 1.89%.
Secured syndicated loans from Taiwan Business Bank and others	458,236	Secured bank loans guaranteed by equipment. Since March 2021, interest payment was made at the end of each month. The principal of loans should be refunded after the approval of bank to be met at the period of thirty-six months. There will be a repayment at an interval of every six months in the future. Pay back the principal in five periods. The amount for the first four periods is 10% of the principal. The remaining 60% of the principal will be paid at the fifth period. The annual interest rate was 1.39%~1.89%.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Lenders	Jun. 30, 2022	Repayment
Secured syndicated loans from Taiwan Business Bank and others	3,230,000	Secured bank loans, repayment was made until March, 2026. The annual interest rate was 1.89%.
Credit loans from The Chang Hwa Commercial Bank, Ltd.	200,000	Credit loans - Since April, 2022, repay to eight installments by every three month. Interest payment was made at the end of each month. The annual interest rates was 1.25%.
Total	4,888,236	
Less: current portion	(88,889)	
Arrangement fee	(13,896)	
Non-current portion	$4,785,451	

A. In order to build factory, purchase equipment, enrich the working capital, operating turnover funds, and develop domestic and foreign letter of credit and issue letter of guarntee for capital requirement, the Group entered into an agreement of syndicated loans in amount of NT$5,500,000 thousand with eight banks on January 22, 2021. The loan contracts include three kinds of credit line. The first credit line is NT$1,000,000 thousand; The second credit line is NT$500,000 thousand; The third credit line is NT$4,000,000 thousand.

According to the above joint loan contract requirements, the annual consolidated financial statements of the Group are subject to restrictions such as current ratio, debt ratio and interest protection multiples. The Group shall maintain a specific financial ratio for each annual period during the duration of the loan. The financial ratios of the Group for the annual periods are in compliance with the above financial ratio limits.

Since the Company's annual specific financial ratio does not meet the requirements of joint loans, the improvement should be completed before September 30 of the year when the financial report is provided. The Company shall not apply for additional use of funds except for rollover of an old contract into another new contract. After the improvement of the system is completed, the newly added funds can be resumed. The improvement and completion of all the financial ratios and restrictions stipulated by the joint loan may not be regarded as a breach of contract; however, from the 1st day of the next month (that is, June 1st) to the date when the Company's financial report is due. The day before the Company provides a certificate issued by an accountant approved by the management bank showing that the discrepancy has been corrected, the company shall calculate the interest on the credit balance of this credit case at the interest rate agreed in the joint loan contract plus an annual interest rate of 0.125%.

The Company's consolidated financial statements for the six-month periods ended June 30, 2023 have met the specific financial ratio requirement of joint loans. The company has completed the improvement before September 30, 2023.

B. Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the six-month periods ended June 30, 2023 and 2022 were NT$8,197 thousand and NT$6,458 thousand, respectively.

(16) Equity

A. Common stock

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Company's authorized capital were altogether NT$2,000,000 thousand, and the Company's paid-in capital were NT$1,200,000 thousand, NT$1,200,000 thousand and NT$1,000,000 thousand, respectively, each share at par value of NT$10, divided into 120,000 thousand shares, 120,0000 thousand shares and 100,000 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Board of Directors has resolved to increase capital by cash of NT$200,000 thousand on April 19, 2022, each share at par value of NT$10 (issued at a premium of NT$150 per share). Board of Directors has resolved to adjust the issuance price from NT$150 to NT$95 on August 26, 2022. The Company collected all contribution on October 25. The effective date was set on October 26, 2022. Authorized capital was NT$2,000,000 thousand and paid-in capital after the capital increase was NT$1,200,000 thousand, divided into 120,000 thousand shares with a par value of $10.

B. Capital surplus

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Additional paid-in capital	$3,617,317	$4,024,502	$2,324,317
Share of changes in net assets of associates and joint ventures accounted for under the equity method	47	47	47
Expired employee stock warrants	4,685	4,685	-
Total	$3,622,049	$4,029,234	$2,324,364

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

The shareholders' meeting resolved to offset accumulated dificit of NT$407,185 thousand through capital surplus on June 21, 2023.

C. Retained earnings and dividend policies

(a) Earnings distribution

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company may resolve by a special majority vote at a Board meeting to distribute in cash the above-mentioned dividends and shall report the distribution in the most recent shareholders' meeting.

(b) Dividend policies

The Company considers the appropriateness of stock dividend or cash dividend. Not less than 10% of the dividend will be in the form of cash. However, if no appropriation of earnings have been proposed by the Board of Directors and approved by the shareholders' meeting, above policy will not be applicable.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal to total paid-in capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(d) Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

(e) The appropriations of earnings for 2021 was approved through the shareholders' meetings held on June 24, 2022. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2022(Note)	2021(Note1)	2022	2021
Legal reserve	$-	$63,777		
Cash dividends	-	420,000	$-	$4.2

Note : The Company did not distribute earnings because of accumulated deficits for the year ended December 31, 2022.

Note1: The appropriations of cash dividends for 2021 was approved by the board of directors' meetings held on March 30, 2022.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Please refer to Note 6 (20) for details on employees' compensation and remuneration to directors and supervisors.

D. Changes in non-controlling interests

	For the six-month period ended June 30,	
	2023	2022
Beginning balance	$16,401	$16,368
Net income (loss) attributable to NCIs	(3,943)	176
Ending balance	$12,458	$16,544

(17) Operating revenue

	For the six-month period ended June 30,	
	2023	2022
Revenue from contracts with customer		
Construction revenue and services revenue	$2,545,386	$1,683,671
Other revenue	17,847	12,428
Total	$2,563,233	$1,696,099

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The accounting policies are explained of the Group’s revenue arising from contracts with customers as follow:

A. Disaggregation of revenue

	For the six-month period ended June 30,	
	2023	2022
	Single segment	Single segment
Construction revenue and services revenue	$2,545,386	$1,683,671
Other revenue	17,847	12,428
Total	$2,563,233	$1,696,099
The timing for revenue recognition:		
Over time	$2,545,386	$1,683,671
At a point of time	17,847	12,428
Total	$2,563,233	$1,696,099

B. Contract balances

(a) Contract assets

	As of			
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022	Jan. 1, 2022
Process of construction	$2,330,582	$2,600,522	$2,503,771	$2,084,562
Current	$2,330,582	$2,600,522	$2,503,771	$2,084,562
Non-current	-	-	-	-
Total	$2,330,582	$2,600,522	$2,503,771	$2,084,562

Contract assets have decreased during the six-month period ended June 30, 2023 as the amount of unconditional right to receive the consideration decreased at the balance sheet date.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Contract assets have increased during the six-month period ended June 30, 2022 as the amount of unconditional right to receive the consideration increased at the balance sheet date.

Please refer to Note 6 (18) for more details on the impairment impact.

(b) Contract liabilities

	As of			
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022	Jan. 1, 2022
Process of construction	$1,007,063	$470,732	$490,644	$523,678
Current	$1,007,063	$470,732	$490,644	$523,678
Non-current	-	-	-	-
Total	$1,007,063	$470,732	$490,644	$523,678

Contract liabilities have increased during the six-month periods ended June 30, 2023 as performance obligations have not been met successively for receiving advance receipts from customers.

Contract liabilities have decreased during the six-month periods ended June 30, 2022 as performance obligations have not been met successively.

(18) Expected credit losses (gains)

	For the six-month period ended June 30,	
	2023	2022
Operating expenses - Expected credit losses (gains)		
Contract assets	$-	$-
Trade receivables (included related parties)	-	-
Total	$-	$-

Please refer to Note 12 for more details on credit risk.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group measures the loss allowance of its contract assets and trade receivables (including trade receivables and trade receivables - related parties) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively, are as follows:

A. The Group measures the loss allowance of its contract assets with expected credit losses is as follows:

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Gross carrying amount	$2,330,582	$2,600,522	$2,503,771
Loss ratio	-%	-%	-%
Loss allowance	-	-	-
Carrying amount of contract assets	$2,330,582	$2,600,522	$2,503,771

B. The historical credit loss experience for trade receivables shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of trade receivables is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follows:

Jun. 30, 2023

		Overdue				
	Not due	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	$235,171	$1,912	$-	$-	$-	$237,083
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$235,171	$1,912	$-	$-	$-	$237,083

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Dec. 31, 2022

		Overdue				
	Not due	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	$29,605	$-	$-	$-	$-	$29,605
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$29,605	$-	$-	$-	$-	$29,605

Jun. 30, 2022

		Overdue				
	Not due	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	$256,112	$38,426	$2,054	$-	$-	$296,592
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$256,112	$38,426	$2,054	$-	$-	$296,592

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The movement in the provision for impairment of contract assets and trade receivables during the six-month periods ended June 30, 2023 and 2022 are as follows:

	Contract assets	Trade receivables
As of January 1, 2023	$-	$-
Addition (reversal) for the current period	-	-
As of June 30, 2023	$-	$-
As of January 1, 2022	$-	$-
Addition (reversal) for the current period	-	-
As of June 30, 2022	$-	$-

(19) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, and transportation equipment. The lease terms range from 1 to 20 years. The Group is not allowed to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person without obtaining the consent from the lessors.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

①Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Land	$1,818,074	$1,683,513	$1,308,053
Buildings	14,686	18,465	6,821
Transportation equipments	188,771	202,254	215,738
Total	$2,021,531	$1,904,232	$1,530,612

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

②Lease liability

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Lease liabilities	$2,033,469	$1,905,318	$1,550,966
Lease liabilities-related parties	14,448	18,007	6,871
Total	$2,047,917	$1,923,325	$1,557,837
Current	$180,986	$153,239	$129,068
Non-current	1,866,931	1,770,086	1,428,769
Total	$2,047,917	$1,923,325	$1,557,837

Please refer to Note 6 (21) for the interest on lease liability recognized during the six-month periods ended June 30, 2023 and 2022 and refer to Note 12 (5) for the maturity analysis for lease liabilities as of June 30, 2023 and 2022.

(b)Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the six-month period ended June 30,	
	2023	2022
Land	$72,796	$52,988
Buildings	3,778	2,219
Other equipments	13,484	13,483
Total	$90,058	$68,690

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c) Income and costs relating to leasing activities

	For the six-month period ended June 30,	
	2023	2022
The expenses relating to short-term leases	$38,486	$58,641
The expenses relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	252	113
The expenses relating to variable lease payments not included in the measurement of lease liabilities	1,872	1,663

(d) Cash outflow relating to leasing activities

During the six-month period ended June 30, 2023 and 2022, the Group's total cash outflow for leases amounting to NT$141,192 thousand and NT$135,849 thousand, respectively.

(20) Summary statement of employee benefits, depreciation and amortization by function:

Function / Nature	For the six-month period ended June 30,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salaries and wages	$251,944	$30,823	$282,767	$183,061	$21,095	$204,156
Labor and health insurance	21,074	3,125	24,199	14,508	2,722	17,230
Pension expense	6,714	1,483	8,197	5,321	1,137	6,458
Other employee benefit	16,620	5,831	22,451	14,348	4,678	19,026
Depreciation expense	314,433	16,884	331,317	156,771	16,988	173,759
Amortization expense	761	307	1,068	396	399	795

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

According to the Company's Articles of Incorporation, no lower than 0.5% of profit of the current year is to be distributed as employees' compensation and no higher than 1.5% of profit of the current year is to be distributed as remuneration to directors. Employee's compensation may be distributed to qualified employees of subsidiaries of the Company or affiliates of the Company, which were approved by the Board of Directors and in addition, there to a report of such distribution is submited to the shareholders' meeting. The profit is distributable as employees' compensation in the form of shares or cash. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on net loss of the six-month periods ended June 30, 2023, there was no employees' compensation and remuneration to directors recognized.

Based on profit of the six-month periods ended June 30, 2022, the Company estimated employees' compensation and remuneration to directors for the six-month periods ended June 30, 2022 both amounted to NT$262 thousand. The aforementioned employees' compensation and remuneration to directors for the six-month periods ended June 30, 2022 were recognized as salaries expense.

Based on net loss of the year ended December 31, 2022, there was no employees' compensation and remuneration to directors recognized.

The Company's Board of Directors has resolved the employees' compensation and remuneration to directors all in cash, amounted to NT$13,912 thousand and NT$9,565 thousand, respectively, in a meeting held on March 30, 2022. Differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors for the year ended December 31, 2021 will be recognized in profit or loss next year.

(21) Non-operating income and expenses

A. Interest income

	For the six-month period ended June 30,	
	2023	2022
Financial assets measured at amortized cost	$13,069	$2,640

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. Other income

	For the six-month period ended June 30,	
	2023	2022
Rental income	$83	$213
Other income – others	1,827	6,301
Total	$1,910	$6,514

C. Other gains and losses

	For the six-month period ended June 30,	
	2023	2022
Foreign exchange gain (loss), net	$(4,287)	41,910
Other losses	-	(60)
Total	$(4,287)	$41,850

D. Finance costs

	For the six-month period ended June 30,	
	2023	2022
Interest on bank loans	$81,265	$45,633
Interest on lease liabilities	17,817	11,029
Finance expenses	3,562	2,621
Less: interest capitalization	(13,758)	(28,087)
Total	$88,886	$31,196

Details of interest capitalization are as follow:

	For the six-month period ended June 30,	
	2023	2022
Interest capitalization	$13,758	$28,087
Capitalization rate	2.12%	1.82%

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(22) Income tax

A. The major components of income tax expense (income) are as follows:

	For the six-month period ended June 30,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$-	$48,890
Adjustments in respect of current income tax of prior periods	-	229
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(22,121)	(38,337)
Deferred tax expense (income) relating to origination and reversal of tax loss	(63)	(164)
Total income tax expense (income)	$(22,184)	$10,618

B. The assessment of income tax returns

As of June 30, 2023, the assessment of the income tax returns of the Company and its domestic subsidiaries are as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Century Bladt Foundations Co., Ltd.	Assessed and approved up to 2021

(23) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the six-month period ended June 30,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(93,774)	$6,320
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	120,000	100,000
Basic earnings per share (NT$)	$(0.78)	$0.06
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(93,774)	$6,320
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$(93,774)	$6,320
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	120,000	100,000
Effect of dilution:		
Employees' compensation - stock (in thousands)	-	37
Weighted average number of ordinary shares outstanding after dilution (in thousands)	120,000	100,037
Diluted earnings per share (NT$)	$(0.78)	$0.06

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of completion of the financial statements.

(24) Changes in parent's interest in subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided as follows:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	As of		
		Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Bladt Foundations Co., Ltd.	Taiwan	33.40%	33.40%	33.40%

Accumulated balances of material non-controlling interest:

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Bladt Foundations Co., Ltd.	$12,458	$16,401	$16,544

Profit (loss) allocated to material non-controlling interest:

	For the six-month period ended June 30,	
	2023	2022
Century Bladt Foundations Co., Ltd.	$(3,943)	$176

The summarized financial information of these subsidiaries are listed below. This information is based on amounts before inter-company eliminations.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Summarized information of profit or loss is as follows:

	For the six-month period ended June 30,	
Century Bladt Foundations Co., Ltd.	2023	2022
Operating revenue	$30,036	$88,060
Income (loss) for the period from continuing operations	(11,808)	526
Total comprehensive income for the period	(11,808)	526

Summarized information of financial position is as follows:

	As of		
Century Bladt Foundations Co., Ltd.	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Current assets	$38,642	$52,896	$88,916
Non-current assets	13,139	35,211	53,010
Current liabilities	(9,819)	(18,834)	(65,575)
Non-current liabilities	(4,664)	(20,167)	(26,818)

Summarized information of cash flows is as follows:

	For the six-month period ended June 30,	
Century Bladt Foundations Co., Ltd.	2023	2022
Operating activities	$(4,159)	$33,883
Investing activities	32	(1,266)
Financing activities	(1,038)	(4,756)
Net increase (decrease) in cash and cash equivalents	(5,165)	27,861

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

7. Related party transactions

(1) Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Relationship with the Group
Century Iron and Steel Industrial Co., Ltd.	Parent company of the Group
Century Heavy Industry International Co., Ltd.	Associate
Century Huaxin Wind Energy Co., Ltd.	Other related party
Bladt Industries A/S	Other related party
Century Green Energy Vocational Senior High School	The Group's chairman is the chairmain of the School
LAI, HUI-HUA	A relative of the Company’s chairman
Xiang Xing Industry Limited Company	Other related party
Taijing Tongyun Co., Ltd.	Other related party

(2) Significant transactions with related parties

A. Operating revenues

	For the six-month period ended June 30,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$5,450	$40,736
Xiang Xing Industry Limited Company	-	297
Century Huaxin Wind Energy Co., Ltd.	-	33
Total	$5,450	$41,066

Since no similar transaction to be compared with, the service prices and collection terms to related parties were determined in accordance with mutual agreements.

B. Purchase

	For the six-month period ended June 30,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$10,600

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The purchase prices and payment terms with Century Iron and Steel Industrial Co., Ltd. were not significantly different from those of purchases from third parties.

C. Construction Outsourcing

Due to requirements for joint contract of jacket foundations for the six-month peroids ended June 30, 2023 and 2022, the Group outsourced to Bladt Industries A/S with current pricing model amounted to NT$1,000,205 thousand and NT$633,884 thousand, respectively.

D. The Group engaged the related parties to provide services and incurred costs (recognized as operating costs).

	For the six-month period ended June 30,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$2,179	$37,944
Century Heavy Industry International Co., Ltd.	74,074	13,065
Bladt Industries A/S	4,231	5,943
Century Huaxin Wind Energy Co., Ltd.	95,942	-
Xiang Xing Industry Limited Company	5,111	-
Taijing Tongyun Co., Ltd.	5,391	-
Total	$186,928	$56,952

E. The Group signed contract for the sale and purchase of steel materials and a service contract with Century Iron and Steel Industrial Co., Ltd. in order to build a new factory building for the six-month period ended June 30, 2023, and the price was NT$301,385 thousand, and the price was calculated based on a monthly progress and recorded under construction in progress.

The Group signed contract for the service contract with Taijing Tongyun Co., Ltd. in order to build a new factory building for the six-month period ended June 30, 2023, and the price was NT$13,206 thousand, and the price was calculated based on a monthly progress and recorded under construction in progress.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group signed contract for the sale and purchase of steel materials and a service contract with Century Iron and Steel Industrial Co., Ltd. in order to build a new factory building for the six-month period ended June 30, 2022, and the price was NT$293,471 thousand, and the price was calculated based on a monthly progress and recorded under construction in progress.

The Group signed contract for the service contract with Century Heavy Industry International Co., Ltd. in order to build a new factory building for the six-month period ended June 30, 2022, and the price was NT$20 thousand, and the price was calculated based on a monthly progress and recorded under construction in progress.

F. Contract assets

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$1,009	$506	$3,189

G. Trade receivable-related party

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$3,496	$16,548	$1,675
Xiang Xing Industry Limited Company	-	-	304
Total	$3,496	$16,548	$1,979

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

H. Other receivables-related party

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$-	$288	$73
Bladt Industries A/S	-	-	49
Century Heavy Industry International Co., Ltd.	4,500	-	31
Total	$4,500	$288	$153

I. Refundable deposits(recognized as other non-current assets)

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
LAI, HUI-HUA	$50	$50	$50

J. Notes payable-related party

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$-	$53,202	$-
Century Heavy Industry International Co., Ltd.	11,015	25,103	-
Taijing Tongyun Co., Ltd.	17,284	122	-
Xiang Xing Industry Limited Company	1,539	-	-
Total	$29,838	$78,427	$-

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

K. Trade payable-related party

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$1,393	$396	$11,135
Century Heavy Industry International Co., Ltd.	40,270	23,133	10,675
Bladt Industries A/S	178,181	378,819	273,761
Century Huaxin Wind Energy Co., Ltd.	94,222	14,797	-
Xiang Xing Industry Limited Company	784	1,081	-
Taijing Tongyun Co., Ltd.	554	-	-
Total	$315,404	$418,226	$295,571

L. Other payables-related party

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$242,779	$187,643	$214,556
Bladt Industries A/S	-	714	2,260
Century Heavy Industry International Co., Ltd.	-	-	712
LAI, HUI-HUA	50	-	20
Xiang Xing Industry Limited Company	1,418	1,418	1,418
Taijing Tongyun Co., Ltd.	1,858	1,546	-
Total	$246,105	$191,321	$218,966

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

M. Guarantee deposits(recognized as other non-current liabilities)

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Heavy Industry International Co., Ltd.	$9	$9	$8

N. Lease-related parties

The Group signed lease contracts with related parties in general market conditions, and paid the rent according to contracts.

Name of the related parties	The leased subject	Period	Rent terms	Total rental expenses
For the six-month period ended June 30, 2023				
Century Iron and Steel Industrial Co., Ltd.	Manufacturer dormitory	06/01/2022~05/31/2023	$189/ Per month	$189
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	10/01/2022~12/31/2024	Calculated by room type	438
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	10/01/2022~12/31/2024	$3/ Per person	27
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	10/01/2022~12/31/2024	$3/ Per person	36
LAI, HUI-HUA	Staff dormitory	11/01/2022~10/31/2023	$50/ Per month	341
Total				$1,031

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Name of the related parties	The leased subject	Period	Rent terms	Total rental expenses
For the six-month period ended June 30, 2022				
Century Iron and Steel Industrial Co., Ltd.	Manufacturer dormitory	06/01/2022~05/31/2023	$189/ Per month	1,134
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2021~09/30/2022	Calculated by room type	119
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2020~09/30/2022	$3/ Per person	$36
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2020~09/30/2022	$3/ Per person	10
LAI, HUI-HUA	Staff dormitory	11/01/2021~10/31/2022	$50/ Per month	341
Total				$1,640

Group as a lessee

(a) Right-of-use asset

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$14,338	$17,956	$7,084

(b) Lease liability

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Century Iron and Steel Industrial Co., Ltd.	$14,448	$18,007	$6,871

(c) Interest expense

	For the six-month period ended June 30,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$161	$72

O. Acquisition of property, plant and equipment

Name of property	Related parties	Amount	Price reference
For the six-month period ended June 30, 2023			
Office equipment (Recorded under construction in progress and equipment awating inspection)	Century Iron and Steel Industrial Co., Ltd.	$32	Commercial negotiation
For the six-month period ended June 30, 2022			
Machinery equipment(Recorded under construction in progress and equipment awating inspection)	Century Iron and Steel Industrial Co., Ltd.	$25,610	Commercial negotiation
Land	Century Iron and Steel Industrial Co., Ltd.	$173,788	Refer to appraisal price of professional appraisal agencies
Building	Century Iron and Steel Industrial Co., Ltd.	$54,212	Refer to appraisal price of professional appraisal agencies
Office equipment	Century Iron and Steel Industrial Co., Ltd.	$38	Commercial negotiation

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

P. Rental income

Name of the related parties	Leased subject	Period	Price	Total rent income
For the six-month period ended June 30, 2023				
None				
For the six-month period ended June 30, 2022				
Century Huaxin Wind Energy Co., Ltd.	Machinary equipment	Based on actual usage	$3/Per unit	$23

Q. Operating expense and Operating costs

	Account	For the six-month period ended June 30, 2023	2022
Century Iron and Steel Industrial Co., Ltd.	Postal expenses, utilities expenses, office supplies, and miscellaneous	$1,167	$3,114
Bladt Industries A/S	Miscellaneous and miscellaneous purchase	-	379
Century Green Energy Vocational Senior High School	Donation	3,050	-
Total		$4,217	$3,493

R. Accounts receivable derived from providing services to Century Iron and Steel Industrial Co., Ltd. for the year ended June 30, 2023 were collected early, which resulted in interest expenses, which resulted in early collection of accounts receivable and interest expenses of NT$207 thousand.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(3) Endorsement and guarantee

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Key management personnel	$6,756,669	$4,885,161	$5,749,655

(4) Key management personnel's compensation

	For the six-month period ended June 30,	
	2023	2022
Short-term employee benefits	$11,642	$9,498

8. Assets pledged as collateral

The following assets of the Group are pledged as collaterals:

	As of			
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022	Secured liabilities
Financial assets measured at amortized cost	$1,624,159	$1,558,205	$2,096,130	Security deposit, reserve account, letters of credit, short-term loans and long-term secured loans
Property, plant and equipment	1,806,657	1,862,524	1,905,027	Long-term secured loans
Total	$3,430,816	$3,420,729	$4,001,157	

9. Significant contingencies and unrecognized contractual commitments

(1) Amounts available under unused letters of credit as of June 30, 2023 were NT$89,591 thousand.

(2) The Group's performance guarantee to be entrusted by financial institute as of June 30, 2023 was NT$11,094,990 thousand.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(3) As of June 30, 2023, the Group's major property, plant and equipment contracts that have not been completed were as follows:

Contract	Contract amount	Payment	Unpaid amount
Major contract of Taipei port southern terminal	$5,360,608	$5,069,334	$291,274

The payment is recorded under construction in progress and equipment awaiting inspection.

10. Losses due to major disasters

None.

11. Significant subsequent events

On May 23, 2023, the Company's board meeting resolved to increase the capital through an issuance 20,000 thousand new shares. On August 9, 2023, the Company's board meeting resolved to adjust the issuance price from NT$120 to NT$140 to complete fundraising for the capital increase in cash successfully, considering market conditions, shareholders' interest, and the overall benefits of the Company.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Financial assets measured at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	$164,778	$248,109	$197,476
Financial assets measured at amortized cost	1,624,159	1,558,205	2,096,130
Trade receivables (including related parties)	237,083	29,605	296,592
Other receivables (including related parties)	370,374	104,951	108,401
Total	$2,396,394	$1,940,870	$2,698,599

Financial liabilities

	As of		
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022
Financial liabilities measured at amortized cost:			
Short-term loans	$905,799	$556,165	$875,315
Short-term notes and bills payable	299,531	299,563	199,862
Trade payables	1,551,341	1,251,872	1,536,461
Long-term loans (including current portion with maturity less than 1 year)	5,850,870	4,328,996	4,874,340
Lease liabilities (including current portion with maturity less than 1 year)	2,047,917	1,923,325	1,557,837
Total	$10,655,458	$8,359,921	$9,043,815

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency).

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Therefore, hedge accounting is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates of US dollars. The information of the sensitivity analysis is as follows:

When NT dollars strengthens/weakens against foreign currency US dollars by 1%, the profit for the six-month periods ended June 30, 2023 and 2022 were decreased/increased by NT$3,869 thousand and NT$5,278 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank loans with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and loans with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the six-month periods ended June 30, 2023 and 2022 to decrease/ increase by NT$2,532 thousand and NT$2,776 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of June 30, 2023, December 31, 2022 and June 30, 2022 amounts of contract assets and accounts receivables from top 10 customers represent 100% of the total contract assets and trade receivables of the Group.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, notes and bills payable, bank loans and leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	Total
As of June 30, 2023						
Loans	$1,217,332	$525,184	$5,139,852	$-	$-	$6,882,368
Short-term notes and bills payable	300,000	-	-	-	-	300,000
Payables	1,551,341	-	-	-	-	1,551,341
Lease liabilities	215,976	201,324	196,737	195,056	1,493,721	2,302,814
As of December 31, 2022						
Loans	$760,896	$473,478	$215,529	$3,559,577	$-	$5,009,480
Short-term notes and bills payable	300,000	-	-	-	-	300,000
Payables	1,251,872	-	-	-	-	1,251,872
Lease liabilities	185,750	177,537	169,030	164,230	1,480,787	2,177,334
As of June 30, 2022						
Loans	$1,006,317	$278,027	$209,322	$4,361,233	$-	$5,854,899
Short-term notes and bills payable	200,000	-	-	-	-	200,000
Payables	1,536,461	-	-	-	-	1,536,461
Lease liabilities	149,665	148,737	133,763	132,541	1,141,008	1,705,714

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month period ended June 30, 2023:

	Short-term loans	Short-term notes and bills payable	Long-term loans	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	$556,165	$299,563	$4,328,996	$223	$1,923,325	$7,108,272
Cash flows	349,634	(32)	1,521,874	79	(82,765)	1,788,790
Non-cash changes	-	-	-	-	207,357	207,357
As of June 30, 2023	$905,799	$299,531	$5,850,870	$302	$2,047,917	$9,104,419

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Reconciliation of liabilities for the six-month period ended June 30, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2022	$630,068	$49,984	$3,458,813	$-	$1,622,176	$5,761,041
Cash flows	245,247	149,490	1,415,527	83	(64,403)	1,745,944
Non-cash changes	-	388	-	-	64	452
As of June 30, 2022	$875,315	$199,862	$4,874,340	$83	$1,557,837	$7,507,437

Non-cash changes are the lease liabilities and the amount of amortized interest from new leases and short-term notes and bills payable

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group’s assets and liabilities

The Group has neither assets that are measured at fair value on a non-recurring basis nor assets and liabilities that are measured at fair value on a recurring basis.

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of June 30, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$22,685	31.14	$706,400
Financial liabilities			
Monetary items:			
USD	$10,259	31.14	$319,465

	As of December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$21,047	30.71	$646,365
Financial liabilities			
Monetary items:			
USD	$14,024	30.71	$430,650

	As of June 30, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$28,674	29.72	$852,197
Financial liabilities			
Monetary items:			
USD	$10,917	29.72	$324,439

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The foreign exchange gains or losses of the Group amounted to NT$(4,287) thousand and NT$41,910 thousand for the six-month period ended June 30, 2023 and2022, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of June 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): None.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: Please refer to attachment 1.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of June 30, 2023: None.

I. Derivative instrument transactions: None.

J. Intercompany relationships and significant intercompany transactions for the six-month period ended June 30, 2023: Please refer to attachment 3.

(2) Information on investees

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 2.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13 (1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: None.

(c) Marketable securities held as of June 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

(e) Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

(f) Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

(g) Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the six-month period ended June 30, 2023: None.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of June 30, 2023: None.

(i) Derivative instrument transactions: None.

(3) Information on investments in Mainland China: None.

14. Segment information

The economic characteristics of companies in the Group were similar. The chief operating decision maker reviewed the overall operating results to make decision about resources to be allocated to and evaluated the overall performance. Therefore, the Group was aggregated into a single segment and adopted the same accounting policies as the ones in Note 4.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Related party transactions with purchases or sales amount at least of NT$100 million dollars or 20 percent of the paid-in capital

For the six-month period ended June 30, 2023

Attachment 1

(In Thousands of New Taiwan Dollars)

Company Name	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivables (payable)		Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)(%)	Payment/ collection term	Unit price	Payment/ collection term	Balance	Percentage of total receivables (payable) (%)	
Century Wind Power Co., Ltd.	Bladt Industries A/S	Other related party	Construction outsourcing	$1,000,205	65.55%	By contract	The purchase is different from the general manufacturer's specification and can't be compared	By contract	Trade payable $178,181	22.45%	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Investees over Whom the Company Exercise Significant Influence or Control (Excluding Investees in Mainland China)

For the six-month period ended June 30, 2023

Attachment 2

(In Thousands of New Taiwan Dollars)

				Original investment amount		Balance as of June 30, 2023				
Investor	Investee	Area	Main operative item	As of June 30, 2023	As of December 31, 2022	Shares (thousand)	%	Carrying value	Net income (loss) of the investee	Share of income (loss) of the investee
Century Wind Power Co., Ltd.	Century Bladt Foundations Co., Ltd.	Taiwan	Wind power jacket foundation and consulting services of construction management	$58,613	$58,613	5,861	66.60%	$24,066	$(11,808)	$(6,839) (Note 1 &2)
Century Wind Power Co., Ltd.	Century Heavy Iudustry International Co., Ltd.	Taiwan	Lifting engineering industry	15,000	15,000	1,500	25.00%	$24,423	$19,394	$4,849

Note1 : Transactions are eliminated when preparing the consolidated financial statements.

Note 2 : Including investment loss recognized under equity method amounted to NT$7,864 thousand and investment gain NT$1,025 thousand adjusted by IFRS 16.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Intercompany relationships and significant intercompany transactions

For the six-month period ended June 30, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter-party	Nature of relationship (Note 2)	Intercompany Transaction			
				Account	Amount	Terms	Percentage to consolidated net revenue or total asssets (Note 3)
0	Century Wind Power Co., Ltd.	Century Bladt Foundations Co., Ltd.	1	Rent revenue	$952	By contract	0.04%
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Accounts receivable	23,546	By contract	0.14%
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Contract assets	2,289	By contract	0.01%
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Other payables	167	By contract	-
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Service revenue	24,450	By contract	0.95%
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Guarantee deposits paid	570	By contract	-

Note 1: Century Wind Power Co., Ltd. and subsidiaries are coded as follows:

1. Century Wind Power Co., Ltd. is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows：

1. Investor to investee.

2. Investee to investor.

3. Investee to investee.

Note 3: The percentage is in respect to the total consolidated revenue(from income statement accounts) or total assets (from balance sheet accounts).