English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Ticker：2072

CENTURY WIND POWER CO., LTD.
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
AS OF DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS THEN ENDED

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The reader is advised that these 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.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Parent-Company-Only Financial Statements

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English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying Parent-Company-Only balance sheets of Century Wind Power Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the related Parent-Company-Only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the Parent-Company-Only financial statements, including the summary of significant accounting policies (together referred as "the Parent-Company-Only financial statements").

In our opinion, the Parent-Company-Only financial statements referred to above present fairly, in all material respects, the Parent-Company-Only financial position of the Company as of December 31, 2023 and 2022, and its Parent-Company-Only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 Parent-Company-Only financial statements. These matters were addressed in the context of our audit of the Parent-Company-Only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Construction Revenue

The Company's revenue amounting to NT$8,207,007 thousand for the year ended December 31, 2023 is a significant account to the Company's Parent-Company-Only financial statements. The Company provides the construction services of the offshore's underwater basic product to generate wind power, and the related revenue are recognized over time. At the end of the reporting period, construction revenue is recognized based on the stage of completion of individual contract. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the total estimated costs for the contract. We conclude that recognition of construction revenue is one of the key audit matters due to the total estimated cost and contract items are assessed and judged by the management for the nature, estimated amount, period, procedure of the different constructions, and has significant impact on calculation of the percentage of completion and construction gains or loss. Our audit procedures therefore include, but not limit to, evaluating the appropriateness of accounting policy for construction revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, selecting samples on test of details, including checking the correctness of input cost and caculation in percentage of completion, obtaining main construction contracts, checking the total contract price if equal to the amount used to calculate construction revenue, performing analytical review procedures on construction revenue, checking if there is no significant variance between collection progress and construction contract, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the Parent-Company-Only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent-Company-Only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of Parent-Company-Only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent-Company-Only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent-Company-Only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent-Company-Only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Parent-Company-Only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent-Company-Only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent-Company-Only financial statements, including the accompanying notes, and whether the Parent-Company-Only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent-Company-Only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 Parent-Company-Only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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/s/Cheng, Ching-Piao

/s/Lin, Cheng-Wei

Ernst & Young,
Taiwan, R.O.C.
March 5th , 2024

Notice to Readers

The accompanying Parent-Company-Only 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 on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such financial statements are those generally accepted and applied in the Republic of China on Taiwan.

Accordingly, the Parent-Company-Only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, 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 Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

Parent-Company-Only Balance Sheets

As of December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	$712,407	4	$234,741	2
1136	Financial assets measured at amortized cost	4,6,(2),8	1,578,988	9	1,184,990	8
1140	Contract assets	4,6,(18)	3,763,188	20	2,600,016	18
1170	Trade receivables, net	4,6(3)	636,282	3	13,056	-
1200	Other receivables		66,472	-	14,648	-
1210	Other receivables - related parties	7	447	-	888	-
1220	Current income tax assets		2,794	-	90,008	1
1310	Inventories, net	4,6(4)	102,072	1	15,355	-
1410	Prepayments	7	597,413	3	316,840	2
1470	Other current assets		17,082	-	44,150	-
11xx	Total current assets		7,477,145	40	4,514,692	31
	Non-current assets					
1535	Financial assets measured at amortized cost	4,6(2),8	381,465	2	373,215	3
1550	Investments accounted for under equity method	4,6(5)	30,986	-	54,979	-
1600	Property, plant and equipment	4,6(6),7	8,795,249	47	7,378,309	51
1755	Right-of-use assets	4,6(20),7	1,962,149	10	1,903,723	13
1780	Intangible assets	4,6(7)	3,804	-	3,219	-
1840	Deferred income tax assets	4,5, 6(23)	31,015	-	243,032	2
1990	Other non-current assets	6(8),7	72,096	1	53,811	-
15xx	Total non-current assets		11,276,764	60	10,010,288	69
1xxx	Total Assets		$18,753,909	100	$14,524,980	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6(9),8	$1,331,237	7	$556,165	4
2110	Short-term notes and bills payable	4,6(10)	299,568	2	299,563	2
2130	Contract liabilities	4,6(18)	192,723	1	470,732	3
2150	Notes payable		6,267	-	51,773	-
2160	Notes payable - related parties	7	-	-	78,427	1
2170	Trade payable		614,938	3	83,309	1
2180	Trade payable - related parties	7	1,208,092	7	430,607	3
2200	Other payables	6(11)	573,114	3	419,114	3
2220	Other payables - related parties	7	90,828	-	200,103	1
2250	Current provision	4,6(12)	85,944	-	30,667	-
2281	Lease liabilities	4.6(20)	169,583	1	145,764	1
2282	Lease liabilities - related parties	4.6(20),7	6,087	-	7,154	-
2322	Current portion of long - term loans	4,6(14),8	288,657	2	147,737	1
2365	Refund liabilities	5,6(13)	-	-	678,404	5
2399	Other current liabilities		8,607	-	6,807	-
21xx	Total current liabilities		4,875,645	26	3,606,326	25
	Non-current liabilities					
2540	Long-term loans	4,6(14),8	3,462,589	18	4,181,259	29
2570	Deferred tax liabilities	4,5,6(23)	4,460	-	4,064	-
2581	Lease liabilities	4,6(20)	1,815,400	10	1,759,043	12
2582	Lease liabilities - related parties	6(20),7	4,767	-	10,853	-
2645	Guarantee deposits	7	293	-	793	-
25xx	Total non-current liabilities		5,287,509	28	5,956,012	41
2xxx	Total liabilities		10,163,154	54	9,562,338	66
	Equity attributable to shareholders of the parent					
3100	Capital	6(16)				
3110	Common stock		1,400,000	8	1,200,000	8
3200	Capital surplus	6(16)	6,227,689	33	4,029,234	28
3300	Retained earnings	6(16)				
3310	Legal reserve		140,593	1	140,593	1
3351	Unappropriated earnings (accumulated dificits)		822,473	4	(407,185)	(3)
3xxx	Total equity		8,590,755	46	4,962,642	34
	Total liabilities and equity		$18,753,909	100	$14,524,980	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

Parent-Company-Only Statements of Comprehenstve Income

For the Years Ended December 31, 2023 and 2022

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

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4,5,6(18),7	$8,207,007	100	$2,839,164	100
5000	Operating costs	7	(6,769,086)	(82)	(3,350,937)	(118)
5900	Gross profit		1,437,921	18	(511,773)	(18)
6000	Operating expenses					
6100	Sales and marketing		(93,031)	(2)	(48,134)	(2)
6200	General and administrative	7	(164,055)	(2)	(129,558)	(4)
	Total operating expenses		(257,086)	(4)	(177,692)	(6)
6900	Operating income (loss)		1,180,835	14	(689,465)	(24)
7000	Non-operating incomes and expenses	6(22), 7				
7100	Interest income		29,826	-	8,727	-
7010	Other incomes		17,629	-	15,155	1
7020	Other gains or losses		(4,236)	-	59,090	2
7050	Finance costs		(169,455)	(1)	(101,309)	(4)
7070	Share of the profit or loss of associates and joint ventures	6(5)	(19,713)	-	7,017	-
	Total non-operating incomes and expenses		(145,949)	(1)	(11,320)	(1)
7900	Income (loss) before income tax		1,034,886	13	(700,785)	(25)
7950	Income tax expense (income)	4,5,6(23)	(212,413)	(3)	139,606	5
8200	Net income (loss)		822,473	10	(561,179)	(20)
8300	Other comprehensive income (loss)		-	-	-	-
8500	Total comprehensive income (loss)		$822,473	10	$(561,179)	(20)
9750	Earnings per share-basic (in NTD)	6(24)	$6.67		$(5.41)	
9850	Earnings per share-diluted (in NTD)	6(24)	$6.67		$(5.41)	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 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 Equity
Code	Items	3100	3200	3310	3351	3xxx
A1	Balance as of January 1, 2022	$1,000,000	$2,324,364	$76,816	$637,771	$4,038,951
	Appropriation and distribution of 2021 earnings:					
B1	Legal reserve			63,777	(63,777)	-
B5	Cash dividends-common shares				(420,000)	(420,000)
D1	Net income for 2022				(561,179)	(561,179)
D3	Other comprehensive income for 2022				-	-
D5	Total comprehensive income(loss)	-	-	-	(561,179)	(561,179)
E1	Issuance of common stock in cash	200,000	1,700,000			1,900,000
N1	Share-based payment transactions		4,870			4,870
Z1	Balance as of December 31, 2022	1,200,000	4,029,234	140,593	(407,185)	4,962,642
C11	Capital surplus used to offset accumulated deficits		(407,185)		407,185	-
D1	Net income for 2023				822,473	822,473
D3	Other comprehensive income for 2023				-	-
D5	Total comprehensive income (loss)	-	-	-	822,473	822,473
E1	Issuance of common stock in cash	200,000	2,600,000			2,800,000
M7	Share of changes in net assets of associates and joint ventures accounted for using the equity method		220			220
N1	Share-based payment Transactions		5,420			5,420
Z1	Balance as of December 31, 2023	$1,400,000	$6,227,689	$140,593	$822,473	$8,590,755

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Century Wind Power Co., Ltd.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022
AAAA	Cash flows from operating activities:		
A10000	Net income (loss) before tax	$1,034,886	$(700,785)
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (including right-of-use assets)	808,386	433,256
A20200	Amortized expense	859	556
A20900	Interest expense	169,455	101,309
A21200	Interest income	(29,826)	(8,727)
A21900	Share based payments awards	5,420	4,870
A22400	Share of the profit or loss of associates and joint ventures	19,713	(7,017)
A22500	(Gain) loss on disposal of property, plant and equipment	7,417	(158)
A22600	Property, plant and equipment transferred to expenses	3,050	-
A29900	Loss(gain) on lease modification	(7)	-
A30000	Changes in operating assets and liabilities:		
A31125	Contract assets	(1,163,172)	(515,454)
A31150	Trade receivables	(623,226)	111,252
A31180	Other receivables	(45,279)	(10,094)
A31190	Other receivables - related parties	441	483
A31200	Inventories	(86,717)	(7,487)
A31230	Prepayments	(280,573)	(83,240)
A31240	Other current assets	27,068	(27,863)
A31990	Other non-current assets	(6,282)	651
A32125	Contract liabilities	(278,009)	(19,912)
A32130	Notes payable	(45,506)	19,784
A32140	Notes payable - related parties	(78,427)	74,227
A32150	Trade payable	531,629	(77,379)
A32160	Trade payable - related parties	777,485	246,246
A32180	Other payables	236,959	15,686
A32190	Other payables - related parties	(109,275)	122,720
A32200	Provision	55,277	22,033
A32230	Other current liabilities	(676,604)	224,147
A33000	Cash generated from (used in) operations	255,142	(80,896)
A33300	Interest paid	(168,146)	(100,177)
A33500	Income tax returned (paid)	87,214	(219,210)
AAAA	Net cash provided by (used in) operating activities	174,210	(400,283)

Code	Items	2023	2022
BBBB	Cash flows from investing activities:		
B00040	Acquisition of financial assets measured at amortized cost	(402,248)	(11,393)
B02700	Acquisition of property, plant and equipment	(2,143,981)	(2,000,519)
B02800	Disposal of property, plant and equipment	-	52,672
B03700	Decrease (increase) in refundable deposits	(867)	(10,319)
B04500	Acquisition of intangible assets	(1,444)	(1,482)
B07500	Interest received	23,281	7,475
B07600	Dividends received	4,500	-
BBBB	Net cash provided by (used in) investing activities	(2,520,759)	(1,963,566)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	3,636,780	3,361,573
C00200	Repayment of short-term loans	(2,861,708)	(3,435,476)
C00500	Increase in short-term notes and bills payable	1,900,005	1,099,579
C00600	Decrease in short-term notes and bills payable	(1,900,000)	(850,000)
C01600	Increase in long-term loans	2,240,531	6,517,618
C01700	Repayments of long-term loans	(2,818,281)	(5,647,435)
C03000	Increase (decrease) in guarantee deposits	(500)	223
C04020	Cash payments for the principal portion of the lease liabilities	(172,612)	(145,679)
C04500	Cash dividends	-	(420,000)
C04600	Issuance of common stock in cash	2,800,000	1,900,000
CCCC	Net cash provided by (used in) financing activities	2,824,215	2,380,403
EEEE	Increase (decrease) in cash and cash equivalents	477,666	16,554
E00100	Cash and cash equivalents at beginning of period	234,741	218,187
E00200	Cash and cash equivalents at end of period	$712,407	$234,741

(The accompanying notes are an integral part of the parent-company-only 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 Parent-Company-Only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized to be issued by the Board of Directors on March 5, 2024.

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 Company 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 has no material impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) 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.

(b) 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.

(c) 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.

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

(d) 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 were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The Company assesses all standards and interpretations have no material impact on the Company.

(3)Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as of 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	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(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)Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4. Summary of material accounting policies

(1)Statement of compliance

The Parent-Company-Only financial statements for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2)Basis of preparation

The Company prepared Parent-Company-Only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the Parent-Company-Only financial statements shall be the same as the profit or loss and other comprehensive income attributable to shareholders of the parent company presented in the Parent-Company-Only Financial Statements for the period, and the total equity presented in the Parent-Company-Only financial statements shall be the same as the equity attributable to the parent company presented in the Parent-Company-Only Financial Statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

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

(3)Foreign currency transactions

The Company's Parent-Company-Only financial statements are presented in its functional currency, New Taiwan Dollars (NTD). Items included in the Parent-Company-Only financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following.

(A) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(B) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(C) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4)Current and non-current distinction

An asset is classified as current when:

(A)The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(B)The Company holds the asset primarily for the purpose of trading.
(C)The Company expects to realize the asset within twelve months after the reporting period.
(D)The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(A)The Company expects to settle the liability in its normal operating cycle.
(B)The Company holds the liability primarily for the purpose of trading.
(C)The liability is due to be settled within twelve months after the reporting period.
(D)The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(5)Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits that have maturity within three months).

(6)Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(A)Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a)The Company's business model for managing the financial assets and
(b)The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a)The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b)The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

① Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

② Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(B)Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d)For lease payments receivable arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C)Derecognition of financial assets

A financial asset is derecognized when:

(a)The rights to receive cash flows from the asset have expired
(b)The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c)The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D)Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E)Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(7)Fair value measurement

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(A)In the principal market for the asset or liability, or
(B)In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(8)Inventories

Inventories mostly include steel structure material, are valued at lower of cost and net realizable value item by item.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(9)Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the Parent-Company-Only financial statements shall be the same as the profit or loss and other comprehensive income attributable to shareholders of the parent presented in the Parent-Company-Only Financial Statements for the period, and the total equity presented in the Parent-Company-Only financial statements shall be the same as the equity attributable to the parent company presented in the Parent-Company-Only Financial Statements. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the Parent-Company-Only Financial Statements under IFRS 10 “Parent-Company-Only Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate or investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company’s related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate or joint venture issues new stock, and the Company’s interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the ‘share of profit or loss of an associate’ in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(A) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(B) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(10)Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	17-20 years
Machinery and equipment	2-20 years
Transportation equipment	3-15 years
Office equipment	1-8 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(11)Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(a)The right to obtain substantially all of the economic benefits from use of the identified asset; and
(b)The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a)fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b)variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c)amounts expected to be payable by the lessee under residual value guarantees;
(d)the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(e)payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a)the amount of the initial measurement of the lease liability;
(b)any lease payments made at or before the commencement date, less any lease incentives received;
(c)any initial direct costs incurred by the lessee; and
(d)an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(12)Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

A summary of the policies information applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	3-10 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired

(13)Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment is recognized in profit or loss.

(14)Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

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

(15)Revenue recognition

The Company's revenue arising from contracts with customers mainly includes rendering of services. The accounting policies for the Company's types of revenue are explained as follow:

Construction Revenue

The Company is engaged in the construction services of the offshore's underwater basic product to generate wind power. The customer controls the property as it is constructed in progress and, thus, the Company recognizes revenue over time. The Company measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to trade receivables at the point when invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, then the Company recognizes a contract liability for the difference.

If the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that it will be probably recoverable.

The Company's estimate of revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(16)Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17)Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's Parent-Company-Only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

(18)Share-based payment transactions

The cost of equity-settled transactions between the Company is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(19)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.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders’ meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(A)Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination； at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(B)In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(A)Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, dose not give rise to equel taxable and deductible temporary differences.

(B)In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed and recognized at each reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent-company-only financial statements requires management to make judgments, 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below:

Construction contract

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion of contract activity is expressed as the percentage of contract costs incurred for work performed as of the balance sheet date relative to the total estimated contract costs, except where this percentage would not be representative of the stage of completion. Contract revenue should include the revenue arising from variations from the original contract incentive payments and claims in accordance with IFRS 15 only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Due to the total estimated cost and contract items are assessed and judged by the management for the nature, estimated amount, period, procedure of the different constructions, it may influence calculation of the percentage of completion and construction gains or loss. Please refer to Note 6 for more details.

Refund liability

Refund liability is estimated 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 income.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

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

6. Contents of significant accounts

(1)Cash and cash equivalents

	As of December 31,	
	2023	2022
Checkings and savings	$712,407	$234,741

(2)Financial assets measured at amortized cost

	As of December 31,	
	2023	2022
Restricted deposits	$1,960,453	$1,558,205
Current	$1,578,988	$1,184,990
Non-current	$381,465	$373,215

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

The Company 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.

(3)Trade receivables

	As of December 31,	
	2023	2022
Trade receivables	$636,282	$13,056
Less: loss allowance	-	-
Total	$636,282	$13,056

Trade receivables were not pledged.

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

Trade receivables are generally on 20-60 day terms after invoice is issued. The Company collects receivables from construction and rendering of services based on the completion status of contracts. The total carrying amount were NT$636,282 thousand and NT$13,056 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6 (19) for more details on loss allowance of trade receivables and Note 12 for more details on credit risk or the years ended December 31, 2023 and 2022, respectively.

(4)Inventories

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

	As of December 31,	
	2023	2022
Raw materials	$89,849	$10,600
Consumables	10,526	3,993
Supplies	1,697	762
Total	$102,072	$15,355

B.The cost of inventories recognized in expenses amounted to NT$6,769,086 thousand and NT$3,350,937 thousand for the years ended December 31, 2023 and 2022, respectively. The following items were also included in cost:

Item	2023	2022
Loss from inventory market decline	$2,281	$-

C.No inventories were pledged.

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

(5)Investments accounted for under the equity method

	As of December 31,			
	2023		2022	
Investees	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)
Investments in subsidiaries:				
Century Bladt Foundations Co., Ltd.	$4,740	66.60%	$30,905	66.60%
Investments in associates:				
Century Heavy Industry International Co., Ltd.	26,246	12.50%	24,074	25.00%
Total	$30,986		$54,979	

A.Investments in associates

The Company 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 Company had significant influence accordingly. Century Heavy Industry International Co., Ltd. passed a resolution in the board meeting held on September 12, 2023 to proceed with cash capital increase, for which the Company failed to subscribe to its original shareholding, leading the Company's ownership interest in Century Heavy Industry International Co., Ltd. to decrease from 25.00% to 12.50%. The Company recognized the difference arising from not subscribing to its original shareholding and added it to capital surplus in the amount of NT$220 thousand.

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

The Company's investments in associates are not individually material. The aggregate carrying amount of the Company's interests in Century Heavy Industry International Co., Ltd. was NT$26,246 thousand and NT$24,074 thousand as of December 31, 2023 and 2022, respectively. The aggregate financial information of the Company's investments in associates is as follows:

	For the year ended December 31,	
	2023	2022
Profit from continuing operations	$6,452	$6,202
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$6,452	$6,202

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

(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	$1,259,890	$41,964	$13,565	$1,529,694	$7,893,160
Additions	-	-	77,116	208	6,820	1,758,926	1,843,070
Disposals	-	-	(4,216)	-	-	(7,417)	(11,633)
Other changes	-	552,761	1,089,016	3,594	132	(1,439,996)	205,507
As of Dec.31,2023	$173,888	$5,426,920	$2,421,806	$45,766	$20,517	$1,841,207	$9,930,104
Depreciation and impairment:							
As of Jan. 1, 2023	$-	$315,915	$187,720	$6,446	$4,770	$-	$514,851
Depreciation	-	278,657	333,552	5,289	3,672	-	621,170
Disposals	-	-	(1,166)	-	-	-	(1,166)
As of Dec.31,2023	$-	$594,572	$520,106	$11,735	$8,442	$-	$1,134,855

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Construction in progress and equipment awaiting inspection	Total
Cost:							
As of Jan. 1, 2022	$-	$1,825,878	$564,211	$19,164	$7,350	$3,599,737	$6,016,340
Additions	173,888	55,705	210,563	9,282	4,160	1,220,230	1,673,828
Disposals	-	-	-	-	-	-	-
Other changes	-	2,992,576	485,116	13,518	2,055	(3,290,273)	202,992
As of Dec.31,2022	$173,888	$4,874,159	$1,259,890	$41,964	$13,565	$1,529,694	$7,893,160
Depreciation and impairment:							
As of Jan. 1, 2022	$-	$154,800	$64,252	$2,195	$2,223	$-	$223,470
Depreciation	-	161,115	123,468	4,251	2,547	-	291,381
Disposals	-	-	-	-	-	-	-
As of Dec.31,2022	$-	$315,915	$187,720	$6,446	$4,770	$-	$514,851
Net carrying amount:							
As of Dec. 31,2023	$173,888	$4,832,348	$1,901,700	$34,031	$12,075	$1,841,207	$8,795,249
As of Dec. 31,2022	$173,888	$4,558,244	$1,072,170	$35,518	$8,795	$1,529,694	$7,378,309

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	$4,115
Additions – acquired separately	1,444
As of Dec. 31, 2023	$5,559

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

	Computer software
As of Jan. 1, 2022	$2,633
Additions – acquired separately	1,482
As of Dec. 31, 2022	$4,115
Amortization and impairment:	
As of Jan. 1, 2023	$896
Amortization	859
As of Dec. 31, 2023	$1,755
As of Jan. 1, 2022	$340
Amortization	556
As of Dec. 31, 2022	$896
Net carrying amount:	
As of Dec. 31, 2023	$3,804
As of Dec. 31, 2022	$3,219

Intangible assets recognition of amortization:

	For the year ended December 31,	
	2023	2022
Manufacturing overheads	$234	$161
Marketing expenses	54	54
Administrative expenses	571	341
Total	$859	$556

(8)Other non-current assets

	As of December 31,	
	2023	2022
Prepayment for equipment	$50,386	$39,250
Refundable deposits	14,284	13,417
Long-term prepayments	7,426	1,144
Total	$72,096	$53,811

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

(9)Short-term loans

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

		As of December 31,	
	Interest Rate (%)	2023	2022
Unsecured bank loans	1.65%~2.31%	$509,457	$446,247
Secured bank loans	1.85%~2.75%	821,780	109,918
Total		$1,331,237	$556,165

B.The Company's unused short-term lines of credits amount to NT$1,034,611 thousand and NT$1,238,194 thousand as of December 31, 2023 and 2022, respectively.

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

(10)Short-term notes and bills payable

	As of December 31,	
	2023	2022
Commercial papers	$300,000	$300,000
Less: Unamortized discount	(432)	(437)
Total	$299,568	$299,563

(11)Other payables

	As of December 31,	
	2023	2022
Accrued expense	$409,028	$172,069
Accrued interest	5,376	4,067
Payables on equipment	158,710	242,978
Total	$573,114	$419,114

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

(12)Current provision

	Warranties
As of Jan. 1, 2023	$30,667
Arising during the period	55,277
Utilized and unused provision reversed	-
As of Dec. 31, 2023	$85,944
As of Jan. 1, 2022	$8,634
Arising during the period	22,033
Utilized and unused provision reversed	-
As of Dec. 31, 2022	$30,667

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.

(13)Refund liability

	Refund liability
As of Jan. 1, 2023	$678,404
Arising during the period	-
Utilized and unused provision reversed	(678,404)
As of Dec. 31, 2023	$-
As of Jan. 1, 2022	$450,207
Arising during the period	342,866
Utilized and unused provision reversed	(114,669)
As of Dec. 31, 2022	$678,404

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	Dec. 31, 2023	Repayment
Secured syndicated loans from Taiwan Business Bank and others	$950,000	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 2.42%.
Secured syndicated loans from Taiwan Business Bank and others	458,485	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 2.42%~7.22%.
Secured syndicated loans from Taiwan Business Bank and others	2,000,000	Secured bank loans, repayment was made until March, 2026. The annual interest rate is 2.42%.
Credit loans from The Chang Hwa Commercial Bank.	50,794	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%.

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

Lenders	Dec. 31, 2023	Repayment
Secured loans from The Chang Hwa Commercial Bank	150,000	Secured bank loans guaranteed by land and buildings, Since August 2023, interest was paid monthly.The principal will be repaid on maturity date. The annual increase rate is 1.83%.
Credit loans from Export-Import Bank of the Republic of china	150,000	Secured bank loans guaranteed by savings. Since October 2023, 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 twelve months. There will be a repayment at an interval of every six months in the future. repay to three installments by every six month. The annual interest rates is 2.44%
Total	3,759,279	
Less: current portion	(288,657)	
Arrangement fee	(8,033)	
Non-current portion	$3,462,589	

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%.

(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	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%.
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	

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 guarantee for capital requirement, the Company 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 Parent-Company-Only financial statements of the Company are subject to restrictions such as current ratio, debt ratio and interest protection multiples. The Company shall maintain a specific financial ratio for each annual period during the duration of the loan. The financial ratios of the Company 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 financial ratios of the Company's financial statements as of June 30, 2023 have met the requirements of the syndicated loan and have been improved within the improvement period required by the bank.

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

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Company has made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$12,993 thousand and NT$10,149 thousand, respectively.

Pension expenses for the years ended December 31, 2023 and 2022 were NT$3,157 thousand and NT$1,477 Thousand, respectively.

(16)Equity

A. Common stock

As of December 31, 2023 and 2022, the Company's authorized capital were altogether NT$2,000,000 thousand, and the Company's paid-in capital were NT$1,400,000 thousand and NT$1,200,000 thousand, respectively, each share at par value of NT$10, divided into 1,400,000 thousand shares and 120,000 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

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, 2022. 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.

Board of Directors has resolved to increase capital by cash of NT$200,000 thousand on May 23, 2023, each share at par value of NT$10 (issued at a premium of NT$120 per share). Board of Directors has resolved to adjust the issuance price from NT$120 to NT$140 on August 9, 2023. The Company collected all contribution on October 29, 2023. The effective date was set on October 30, 2023. Authorized capital was NT$2,000,000 thousand and paid-in capital after the capital increase was NT$1,400,000 thousand, divided into 140,000 thousand shares with a par value of $10.

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

B. Capital surplus

	As of December 31,	
	2023	2022
Additional paid-in capital	$6,219,618	$4,024,502
Share of changes in net assets of associates and joint ventures accounted for under the equity method	267	47
Expired employee stock warrants	7,804	4,685
Total	$6,227,689	$4,029,234

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 deficit 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.

(d) Special reserve

When the Company distributes 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:

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

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 2023 was approved through the Board of Director's meetings held on March 5, 2024. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2023	2022(Note)	2023	2022
Legal reserve	$82,247			
Cash dividends	420,000		$3	$-

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

Please refer to Note 6 (21) for details on employees' compensation and remuneration to directors and supervisors.

(17)Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

A.On May 23, 2023, the Company's board of directors' meeting resolved to increase cash capital and resolved to the measurement date was on October 30, 2023 and except for part of new shares for employees to subscribe it.

On April 19, 2022, the Company's board of directors' meetings resolved to increase cash capital. On August 26, 2022, the Company's board of directors' meetings resolved to the measurement date was on October 26, 2022 and except for new shares for employees to subscribe it.

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

(a)Information on the Employee stock option plan for Cash Capital Increase is summarized as follow:

	Employee stock option plan for Cash Capital Increase			
	2023		2022	
	Option (Unit)	Weighted average Exercise Price (NT$/Share)	Option (Unit)	Weighted average Exercise Price (NT$/Share)
Outstanding share as of January 1st ,2023	-	$-	-	$-
Granted	2,000	140	2,000	95
Exercise	(849)	140	(76)	95
Expire	(1,151)	-	(1,924)	-
Outstanding share as of December 31 ,2023	-		-	
Fair value of the stock options granted in the current period (NT$/share)	$2.71		$2.43	

(b)The Company uses the Black-Scholes evaluation model to increase the stock rights of employees with cash capital, and the parameters used in the evaluation model are as follows:

	9/20/2023	8/26/2022
Underlying Equity Value (NT$/Share)	$129.35	$91.59
Exercise Price (NT$/Share)	$140	$95
Expected volatility(%)	39.72%	25.42%
Expected duration of existence(Years)	0.099 year	0.16 year
Risk-free rate(%)	0.8655%	1.25%

Expected volatility is the average annvalized volatifity given to the stock price for the previons year.

B.The expense arising from equity-settled share-based payment transactions recognized in amount of NT$5,420 thousand and NT$4,870 thousand respectively.

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

(18)Operating revenue

	For the year ended December 31,	
	2023	2022
Revenue from contracts with customer		
Construction revenue and services revenue	$8,180,874	$2,821,085
Other	26,133	18,079
Total	$8,207,007	$2,839,164

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

A. Disaggregation of revenue

	For the year ended December 31,	
	2023	2022
	Single segment	Single segment
Construction revenue and services revenue	$8,180,874	$2,821,085
Other revenue	26,133	18,079
Total	$8,207,007	$2,839,164
The timing for revenue recognition		
Over time	$8,180,874	$2,821,085
At a point of time	26,133	18,079
Total	$8,207,007	$2,839,164

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

B. Contract balances

(a) Contract assets

	As of		
	Dec. 31, 2023	Dec. 31, 2022	Jan. 1, 2022
Process of construction	$3,763,188	$2,600,016	$2,084,562
Current	$3,763,188	$2,600,016	$2,084,562
Non-current	-	-	-
Total	$3,763,188	$2,600,016	$2,084,562

Contract assets have increased during 2023 and 2022 as the amount of unconditional right to receive the consideration increased at the balance sheet date.

Please refer to Note 6 (19) for more details on the impairment impact.

(b) Contract liabilities

	As of		
	Dec. 31, 2023	Dec. 31, 2022	Jan. 1, 2022
Process of construction	$192,723	$470,732	$490,644
Current	$192,723	$470,732	$490,644
Non-current	-	-	-
Total	$192,723	$470,732	$490,644

Contract liabilities have decreased during 2023 and 2022 as performance obligations have been met successively.

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

(19)Expected credit losses (gains)

	For the year ended December 31,	
	2023	2022
Operating expenses - Expected credit losses (gains)		
Contract assets	$-	$-
Trade receivables	-	-
Total	$-	$-

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

The Company measures the loss allowance of its contract assets and trade receivables at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2023 and 2022, respectively, are as follows:

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

	As of December 31,	
	2023	2022
Gross carrying amount	$3,763,188	$2,600,016
Loss ratio	-%	-%
Loss allowance	-	-
Total	$3,763,188	$2,600,016

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

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 company, details are as follows:

		Overdue				
Dec. 31, 2023	Not due	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	$636,282	$-	$-	$-	$-	$636,282
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$636,282	$-	$-	$-	$-	$636,282

Dec. 31, 2022

		Overdue				
	Not due	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	$13,056	$-	$-	$-	$-	$13,056
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$13,056	$-	$-	$-	$-	$13,056

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

The movement in the provision for impairment of contract assets and trade receivables for the years ended December 31, 2023 and 2022 are as follows:

	Contract assets	Accounts receivables
As of January 1, 2023	$-	$-
Addition/(reversal) for the current period	-	-
As of December 31, 2023	$-	$-
As of January 1, 2022	$-	$-
Addition/(reversal) for the current period	-	-
As of December 31, 2022	$-	$-

(20)Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings, and other equipment. The lease terms range from 1 to 20 years. The Company 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 Company'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

	2023.12.31	2022.12.31
Land	$1,776,142	$1,683,513
Buildings	10,720	17,956
Other	175,287	202,254
Total	$1,962,149	$1,903,723

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

For the years ended December 31, 2023 and 2022, right-of-use assets increased by NT$251,248 thousand and NT$454,239 thousand, respectively.

②Lease liability

	As of December 31,	
	2023	2022
Lease liabilities	$1,984,983	$1,904,807
Lease liabilities-related parties	10,854	18,007
Total	$1,995,837	$1,922,814
Current	$175,670	$152,918
Non-current	1,820,167	1,769,896
Total	$1,995,837	$1,922,814

Please refer to Note 6 (22) for the interest on lease liability recognized For the years ended December 31, 2023 and 2022 and refer to Note 12 (5) for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

(b)Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the year ended December 31,	
	2023	2022
Land	$153,013	$112,344
Buildings	7,236	2,563
Other equipment	26,967	26,968
Total	$187,216	$141,875

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

(c) Income and costs relating to leasing activities

	For the year ended December 31,	
	2023	2022
The expenses relating to short-term leases	$48,564	$117,158
The expenses relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	759	446
The expenses relating to variable lease payments not included in the measurement of lease liabilities	2,364	13,770

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases amounting to NT$260,576 thousand and NT$301,860 thousand, respectively.

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

Function / Nature	For the year ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salaries and wages	$544,898	$79,930	$624,828	$334,516	$46,251	$380,767
Labor and health insurance	43,237	6,641	49,878	26,735	4,561	31,296
Pension expense	13,380	2,770	16,150	9,367	2,259	11,626
Director's remuneration	-	20,180	20,180	-	4,130	4,130
Others	39,477	9,210	48,687	30,208	6,300	36,508
Depreciation expense	774,537	33,849	808,386	400,025	33,231	433,256
Amortization expense	234	625	859	161	395	556

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

As of December 31, 2023 and 2022, the average headcounts of the Company amount to 754 and 491, respectively, of which 7 and 6 directors were not employees, respectively.

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. Employees' 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 submitted to the shareholder's meeting. The profit distributable as employees' compensation in the form of share or cash. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2023 the Company estimated the amount of the employes' compensation and remuneration to directors for the year ended December 31, 2023 both amounted to NT$15,990 thousand. The aforementioned employees' compensation and remuneration to directors for the year ended December 31, 2023 were recognized as salaries expense and directors' remuneration.

Based on net loss of the year ended December 31, 2022 therefore was not estimated the employee's compensation and remuneration to directors.

The Company's Board of Directors has resolved the employees' compensation and remuneration to directors all in cash to be NT$21,337 thousand and NT$15,470 thousand, respectively, in a meeting held on March 5, 2024. Differences between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors for the year ended December 31, 2023 will be recognized in profit or loss next year.

(22)Non-operating income and expenses

A. Interest income

	For the year ended December 31,	
	2023	2022
Financial assets measured at amortized cost	$29,826	$8,727

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

B. Other income

	For the year ended December 31,	
	2023	2022
Rent income	$3,888	$7,407
Other income - others	13,741	7,748
Total	$17,629	$15,155

C. Other gains and losses

	For the year ended December 31,	
	2023	2022
Gain (Loss) on disposal of property, plant and equipment	$(7,417)	$158
Foreign exchange gain (loss), net	3,414	59,001
Gain on lease modification	7	-
Other losses	(240)	(69)
Total	$(4,236)	$59,090

D. Finance costs

	For the year ended December 31,	
	2023	2022
Interest on bank loans	$160,107	$105,274
Interest on lease liabilities	36,277	24,807
Finance expenses	7,007	5,819
Less: Interest capitalization	(33,936)	(34,591)
Total	$169,455	$101,309

Details of interest capitalization are as follow:

	For the year ended December 31,	
	2023	2022
Capitalized interest	$33,936	$34,591
Capitalization rate	2.16%	1.81%

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

(23)Income tax

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

	For the year ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$-	$-
Adjustment in respect of current tax of prior periods	-	230
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	212,413	(139,836)
Total income tax expense (income)	$212,413	$(139,606)

B. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2023	2022
Accounting profit (loss) before tax from continuing operations	$1,034,886	$(700,785)
Tax payable at the enacted tax rates	$206,977	$(140,157)
Tax effect of expenses not deductible for tax purposes	5,498	321
Adjustments in respect of current income tax of prior periods	-	230
Deferred tax related to the origination and reversal of taxable losses	(62)	-
Total income tax expense (income) recognized in profit or loss	$212,413	$(139,606)

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

C. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning balance as of Jan. 1, 2023	Deferred tax income (expense) recognized in profit or loss	Ending balance as of Dec. 31, 2023
Exchange gain (loss)	$(4,064)	$(396)	$(4,460)
Provision for warranties	6,134	11,055	17,189
Refund liability	135,680	(135,680)	-
Unused tax losses	101,218	(87,848)	13,370
Unrealized loss on inventory valuation	-	456	456
Deferred tax income/(expense)		$(212,413)	
Net deferred tax assets/(liabilities)	$238,968		$26,555
Reflected in balance sheet as follows:			
Deferred tax assets	$243,032		$31,015
Deferred tax liabilities	$4,064		$4,460

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

For the year ended December 31, 2022

	Beginning balance as of Jan. 1, 2022	Deferred tax income (expense) recognized in profit or loss	Ending balance as of Dec. 31, 2022
Temporary difference			
Exchange gain(loss)	$7,364	$(11,428)	$(4,064)
Provision for warranties	1,727	4,407	6,134
Refund liability	90,041	45,639	135,680
Unused tax lossed	-	101,218	101,218
Deferred tax income/(expense)		$139,836	
Net deferred tax assets/(liabilities)	$99,132		$238,968
Reflected in balance sheet as follows:			
Deferred tax assets	$99,132		$243,032
Deferred tax liabilities	$-		$4,064

D. The following table contains information of the unused tax losses of the Company:

		Unused tax losses		
Year	Tax losses for the period	Dec.31, 2023	Dec.31, 2023	Expiration Year
2022	$506,089	$66,848	$506,089	2032

E. The assessment of income tax return

As of December 31, 2023 the Company’s tax filings have been assessed and approved up to the year of 2021.

(24)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 year ended December 31,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$822,473	$(561,179)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	123,333	103,671
Basic earnings per share (NT$)	$6.67	$(5.41)
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	822,473	(Note)
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	822,473	(Note)

	For the year ended December 31,	
	2023	2022
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	123,333	(Note)
Effect of dilution:		
Employees' compensation – stock (in thousands)	64	(Note)
Weighted average number of ordinary shares outstanding after dilution (in thousands)	123,397	(Note)
Diluted earnings per share (NT$)	$6.67	(Note)

Note：It's not applicable due to anti-dilutive effect.

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.

7. Related party transactions

(1)Information of the related parties that had transactions with the Company 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 Company
Century Iron and Steel Industrial Co., Ltd.	Parent company of the Company
Century Bladt Foundations Co,.Ltd.	Subsidiary of the Company
Bladt Industries A/S	Other related party
Century Heavy Industry International Co., Ltd.	Associate
Century Huaxin Wind Energy Co., Ltd.	Other related party
Century Green Energy Vocational Senior High School	The Company'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

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

(2)Significant transactions with related parties

A. Operating revenues

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$289	$387
Century Huaxin Wind Energy Co., Ltd.	-	33
Total	$289	$420

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 year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$10,600

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

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$569,549	$-
Bladt Industries A/S	1,479,139	1,312,001
Xiang Xing Industry Limited Company	340,161	140,092
Total	$2,388,849	$1,452,093

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

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

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$336,122	$44,537
Century Heavy Industry International Co., Ltd.	123,540	95,812
Bladt Industries A/S	4,231	813
Xiang Xing Industry Ltd.	8,331	3,415
Taijing Tongyun Co., Ltd	10,413	116
Total	$482,637	$144,693

E. The Company signed contract for the sale and purchase of steel materials and service with related parties in order to build a new factory building. The price was calculated based on a monthly progress and recorded under construction in progress

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$478,099	$550,846
Century Heavy Industry International Co., Ltd.	-	20
Century Huaxin Wind Energy Co., Ltd.	3,324	-
Taijing Tongyun Co., Ltd	27,480	-
Total	$508,903	$550,866

F. For the year ended December 31, 2023 and 2022, the service provided by Century Bladt Foundations Co., Ltd were NT$24,879 thousand and NT$82,363 thousand respectively, which was recognized as contract assets.

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

G. Other receivables-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$447	$288
Century Bladt Foundtions CO., Ltd	-	600
Total	$447	$888

H. Other prepayments - related party (recognized as prepayments)

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$206,745	$-

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

	As of December 31,	
	2023	2022
LAI, HUI-HUA	$50	$50

J. Notes payable-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$53,202
Century Heavy Industry International Co., Ltd.	-	25,103
Taijing Tongyun Co., Ltd	-	122
Total	$-	$78,427

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

K. Trade payable-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$767,863	$396
Century Heavy Industry International Co., Ltd.	42,863	23,133
Bladt Industries A/S	202,576	378,819
Century Bladt Foundations Co., Ltd	-	12,381
Century Huaxin Wind Energy Co., Ltd.	190,688	14,797
Xiang Xing Industry Ltd.	224	1,081
Taijing Tongyun Co., Ltd	3,878	-
Total	$1,208,092	$430,607

L. Other payables-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$71,290	$187,549
Century Bladt Foundations Co., Ltd	-	9,590
Century Huarxin Wind Power Co., Ltd.	3,490	-
Xiang Xing Industry Ltd.	1,418	1,418
Taijing Tongyun Co., Ltd	14,630	1,546
Total	$90,828	$200,103

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

	As of December 31,	
	2023	2022
Century Bladt Foundations Co., Ltd.	$-	$570
Century Heavy Industry International Co., Ltd.	9	9
Total	$9	$579

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

N. Lease-related parties

The Company 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 year ended December 31, 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	1,028
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	10/01/2022~12/31/2024	$3/ Per person	37
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	10/01/2022~12/31/2024	$3/ Per person	60
LAI, HUI-HUA	Staff dormitory	11/01/2022~10/31/2023 11/01/2023~10/31/2024	$50/ Per month	683
Total				$1,997

(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 year ended December 31, 2022				
Century Iron and Steel Industrial Co., Ltd.	Manufacturer dormitory	06/01/2021~05/31/2022 06/01/2022~05/31/2023	$189/ Per month	$2,268
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2021~09/30/2022 10/01/2022~05/31/2023	Calculated by room type	778
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2020~09/30/2022 10/01/2022~12/31/2024	$3/ Per person	54
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2020~09/30/2022 10/01/2022~12/31/2024	$3/ Per person	27
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	06/01/2020~08/31/2022	$162/ Per month	486
LAI, HUI-HUA	Staff dormitory	11/01/2022~10/31/2023	$50/ Per month	683
Century Bladt Foundations Co., Ltd	machinery equipment	Since 06/15/2021, calculated according to the actual lease period	$3,000/Per machine	296
Total				$4,592

Company as a lessee

(a) Right-of-use asset

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$10,720	$17,956

(b) Lease liability

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$10,854	$18,007

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

(c) Interest expense

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$286	$100

O. Acquisition of property, plant and equipment

For the year ended December 31, 2023

Name of property	Related parties	Amount	Price reference
Office equipment	Century Iron and Steel Industrial Co., Ltd.	$32	Commercial negotiation
Office equipment	Century Bladt Foundations Co., Ltd.	$630	Commercial negotiation
Transportation equipment	Century Bladt Foundations Co., Ltd.	199	Commercial negotiation
Intangible assets	Century Bladt Foundations Co., Ltd.	$1,235	Commercial negotiation

For the year ended December 31, 2023

Name of property	Related parties	Amount	Price reference
Machinery equipment(recorded under construction in progress and equipment awaiting inspection)	Century Iron and Steel Industrial Co., Ltd.	$63,284	Commercial negotiation
Land	Century Iron and Steel Industrial Co., Ltd.	$173,788	Refer to appraisal price of professional appraisal agencies
Buildings	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	$65	Commercial negotiation
Machinery equipment	Century Bladt Foundations Co., Ltd.	$6,598	Commercial negotiation
Office equipment	Century Bladt Foundations Co., Ltd.	$1,372	Commercial negotiation

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

P. The Company did not dispose property, plant and equipment to related parties for the year ended December 31, 2023, and the details for the year ended December 31, 2022 are as follows：

Name of property	Related parties	Carrying amount	Prices	Gain on disposal of property, plant and equipment	Price reference
Machinery equipment (Recorded under prepayments in equipment)	Century Iron and Steel Industrial Co., Ltd.	$52,514	$52,672	$158	Commercial negotiation

Q. Operating expense and Operating costs

		For the year ended December 31,	
	Account	2023	2022
Century Iron and Steel Industrial Co., Ltd.	Postal expenses, utilities expenses, office supplies, and miscellaneous	$1,526	$2,099
Century Bladt Foundations Co., Ltd.	Miscellaneous, postal expenses and training expenses	-	13,197
Century Green Energy Vocation Senior High School	Donation	3,050	-
Total		$4,576	$15,296

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

R. Other income

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$164
Century Heavy Industry International Co., Ltd.	-	47
Total	$-	$211

S. Rental income

Related parties	Leased subject	Period	Price	Total rental income
For the year ended the December 31, 2023				
Century Bladt Foundations Co., Ltd	office	07/01/2020~ 12/31/2026	$158/ month	$1,745

Note: The scope of tenancy was reduced on January 1, 2023, and the contract was terminated in advance in November, 2023.

Related parties	Leased subject	Period	Price	Total rental income
For the year ended the December 31, 2022				
Century Bladt Foundations Co., Ltd	office	07/01/2020~ 12/31/2026	$570/ month	$6,840
Century Huaxin Wind Energy Co., Ltd.	Machinery equipment	Calculated by use time	Commercial negotiation	$23

T. Interest expense

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$625	$-

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

(3)Endorsement and guarantee

	As of December 31,	
	2023	2022
Key management personnel	$5,082,483	$4,885,161

(4)Key management personnel's compensation

	For the year ended December 31,	
	2023	2022
Short-term employee benefits	$42,619	$19,450

8. Assets pledged as collateral

The following assets of the Company are pledged as collaterals:

	As of December 31,		
Item	2023	2022	Secured liabilities
Financial assets measured at amortized cost	$1,960,453	$1,558,205	Security deposit, reserve account, letters of credit, short-term loans and long-term secured loans
Property, plant and equipment	2,251,009	1,862,524	Long-term secured loans
Total	$4,211,462	$3,420,729	

9. Significant contingencies and unrecognized contractual commitments

(1)Amounts available under unused letters of credit as of December 31, 2023 were NT$284,293 thousand.

(2)The Company's performance guarantee to be entrusted by financial institute as of December 31, 2023 was NT$11,834,382 thousand.

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

(3) As of December 31, 2023 , the Company'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	$5,439,852	$52,079,164	$231,936

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

10. Losses due to major disasters

None.

11. Significant subsequent events

A resolution was passed by the Board of Directors on March 5, 2024 that the Company resolved to participate in the cash capital increase of the associate, Century Huaxin Wind Energy Co., Ltd. The Company was excepted to subscribe no more than 7,500 thousand shares, at a par value of NT$60 Per share, and total subscription amount was no higher than NT$450,000 thousand.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2023	2022
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	$712,407	$234,741
Financial assets measured at amortized cost	1,960,453	1,558,205
Trade receivables	636,282	13,056
Other receivables (including related parties)	66,919	15,536
Total	$3,376,061	$1,821,538

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

Financial liabilities

	As of December 31,	
	2023	2022
Financial liabilities measured at amortized cost:		
Short-term loans	$1,331,237	$556,165
Short-term notes and bills payable	299,568	299,563
Payables	2,493,239	1,263,333
Long-term loans(including current portion with maturity less than 1 year)	3,751,246	4,328,996
Lease liabilities (including current portion with maturity less than 1 year)	1,995,837	1,922,814
Total	$9,871,127	$8,370,871

(2) Financial risk management objectives and policies

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

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

The Company 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 Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company'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 years ended December 31, 2023 and 2022 were decreased/increased by NT$3,273 thousand and NT$2,157 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company'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 years ended December 31, 2023 and 2022 to decrease/ increase by NT$2,469 thousand and NT$3,231 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 Company 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.

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

Credit risk is managed by each business unit subject to the Company'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 Company'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.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company 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 Company 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).

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

(5) Liquidity risk management

The Comapny'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 Company'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.

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 December 31, 2023						
Loans	$1,679,512	$322,775	$3,181,825	$-	$-	$5,184,112
Short-term notes and bills payable	300,000	-	-	-	-	300,000
Payables	2,493,239	-	-	-	-	2,493,239
Lease liabilities	210,615	202,299	197,498	197,498	1,432,888	2,240,798
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	1,263,333	-	-	-	-	1,263,333
Lease liabilities	185,422	177,346	169,030	164,230	1,480,787	2,176,815

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

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 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	$793	$1,922,814	$7,108,331
Cash flows	775,072	5	(577,750)	(500)	(172,612)	24,215
Non-cash changes	-	-	-	-	245,635	245,635
As of December 31, 2023	$1,331,237	$299,568	$3,751,246	$293	$1,995,837	$7,378,181

Reconciliation of liabilities for the year ended December 31, 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	$570	$1,614,254	$5,753,689
Cash flows	(73,903)	249,579	870,183	223	(145,679)	900,403
Non-cash changes	-	-	-	-	454,239	454,239
As of December 31, 2022	$556,165	$299,563	$4,328,996	$793	$1,922,814	$7,108,331

Non-cash changes are the lease liabilities and the amount of amortized interest from new leases.

(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 Company 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 Company'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 Company.

(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 Company 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 Company's assets and liabilities

The Comapny 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.

(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 December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$24,666	30.71	$757,371
Financial liabilities			
Monetary items:			
USD	$14,007	30.71	$430,080

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

	As of December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$21,047	30.71	$646,364
Financial liabilities			
Monetary items:			
USD	$14,024	30.71	$430,650

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 Company amounted to NT$3,414 thousand and NT$59,001 thousand for the years ended December 31, 2023 and 2022 respectively.

(10) Capital management

The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company 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 December 31, 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 year ended December 31, 2023: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital f for the year ended December 31, 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 year ended December 31, 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 year ended December 31, 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 December 31, 2023: None.

I. Derivative instrument transactions: None.

(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 December 31, 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 year ended December 31,2023: 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 year ended December 31, 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 year ended December 31, 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 year ended December 31, 2023: None.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31, 2023: None.

(i) Derivative instrument transactions: None.

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

14. Segment information

The Company has provided the operating segment disclosure in the consolidatrd financial statements.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

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 year ended December 31, 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.	Century Iron and Steel Industrial Co., Ltd.	Parent company	Construction outsourcing	$569,549	17.35%	By contract	The purchase is different from the general manufacturer's specification and can't be compared	By contract	Trade payable $767,863	42.12%	
Century Wind Power Co., Ltd.	Bladt Industries A/S	Other related party	Construction outsourcing	$1,479,139	45.07%	By contract	The purchase is different from the general manufacturer's specification and can't be compared	By contract	Trade payable $202,576	11.11%	
Century Wind Power Co., Ltd.	Century Huaxin Wind Energy Co., Ltd.	Other related party	Construction outsourcing	$340,161	10.36%	By contract	The purchase is different from the general manufacturer's specification and can't be compared	By contract	Trade payable $190,688	10.46%	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd.

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

As of December 31, 2023

Attachment 2

(In Thousands of New Taiwan Dollars)

Investor	Investee	Area	Main operative item	Original investment amount		Balance as of December 31, 2023			Net income (loss) of the investee	Share of income (loss) of the investee
				As of December 31, 2023	As of December 31, 2022	Shares (thousand)	%	Carrying value		
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%	$4,740	$(41,989)	$(26,165) (Note 1)
Century Wind Power Co., Ltd.	Century Heavy Iudustry International Co., Ltd.	Taiwan	Lifting engineering industry	$15,000	15,000	1,500	12.50%	$26,246	$26,373	$6,452

Note 1 : Including investment loss recognized under equity method amounted to NT$(27,965) thousand and investment gain NT$1,800 thousand adjusted by IFRS 16.

Century Wind Power Co., Ltd.

1. Statement of Cash and Cash Equivalents

As of December 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

Item	Description	Amount	Note
Checkings and savings:			1.Cash and Cash Equivalents were not pledged.
O-Bank - Business Department	Saving Account	$20,613	
Changhwa Bank - Puxin Branch	Saving Account	87,315	
Changhwa Bank - Puxin Branch	Foreign currency	40,286	USD 1,312
Changhwa Bank - Puxin Branch	Foreign currency	41,184	EUR 1,212
CTBC Bank -Taoyuan Branch	Foreign currency	78,427	USD 2,554
HSBC Bank - Business Department	Saving Account	355,000	
Mega Bank - Taoyuan Airport Branch	Saving Account	16,915	2.Functional currency rates
Others (less than NT$10,000 thousand of saving)		72,667	As of December 31, 2023:
Total		$712,407	USD：NTD=1：30.71
			EUR：NTD=1：33.98

Century Wind Power Co., Ltd.

2. Statement of Financial Assets Measured at Amortized Cost - Current

As of December 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

Item	Description	Shares/units	Par value	Total amount	Interest rate	Acquisition cost	Note
Mega Bank - Taoyuan Airport Branch	Restricted deposits	-	-	-	-	$12,072	Pledged account
First Commercial Bank - Zhongli Branch	Restricted deposits	-	-	-	-	10,000	Pledged account
Changhwa Bank - Puxin Branch	Restricted deposits	-	-	-	-	274,179	Pledged account
O-Bank - Business Department	Restricted deposits	-	-	USD 345	-	10,603	Pledged account
Taishin Bank - Jianpei Branch	Restricted deposits	-	-	-	-	10,000	Pledged account
Bank of Fubon - Business Department	Restricted deposits	-	-		-	15,000	Pledged account
Shanghai Bank - Yangmei Branch	Restricted time deposits	-	-	-	1.52%	15,000	Restricted time deposits
CTBC Bank - Taoyuan Branch	Restricted time deposits	-	-		0.53%	597,821	Restricted time deposits
CTBC Bank - Taoyuan Branch	Restricted time deposits	-	-	USD 15,452	3.45%~3.85%	474,448	Restricted foreign currency time deposits
Mega Bank - Business Department	Restricted time deposits	-	-	USD 4,546	4.50%	139,576	Restricted foreign currency time deposits
Others (less than NT$10,000 thousand of restricted deposits)						20,289	
Total						$1,578,988	

Century Wind Power Co., Ltd.

3. Statetment of Contract Assets - Current

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Client name	Amount	Note
M2048	$11,074	The contract assets are derived from construction revenue and are not related party transactions.
A2050/A2051	2,164,822	
A2054	1,587,292	
Total	$3,763,188	

Century Wind Power Co., Ltd.

4. Statement of Trade Receivables, net

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
A2054	$454,321	1.The trade receivables are from business operation and are not related party transactions.
A2055	92,800	
A2056	89,161	2.Trade receivables were not pledged.
Less: loss allowance	-	
Net	$636,282	

Century Wind Power Co., Ltd.

5. Statement of Inventories, net

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Raw materials	$91,908	$91,152	1.Inventories were valued at lower of cost or net realizable value item by item.
Consumables	10,716	10,924	
Supplies	1,729	1,737	
Total	104,353	$103,813	2.Inventories were not pledged.
Less: loss allowance	(2,281)		
Net	$102,072		

Century Wind Power Co., Ltd.

6. Statement of Prepayments

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Overpaid vat tax	$352,934	
Other prepayments	34,215	
Other prepayments-related parties- Century Iron and Steel Industrial Co., Ltd.	206,745	
Input tax	3,519	
Total	$597,413	

Century Wind Power Co., Ltd.

7. Statement of Financial Assets Measured at Amortized Cost - Non-Current

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Shares/units	Par value	Total amount	Interest rate	Acquisition cost	Note
Taiwan Business Bank - Dayuan Branch	Restricted deposits	-	-	-	-	$100,000	Loan security deposit
Taiwan Business Bank - Dayuan Branch	Restricted time deposits	-	-	-	0.72%~1.57%	35,691	Security deposit
Changhua Bank - Puhsin Branch	Restricted time deposits	-	-	-	1.16%~1.58%	59,601	Security deposit
Shanghai Bank - Yangmei Branch	Restricted time deposits	-	-	-	1.52%	40,960	Security deposit
HSBC Bank - Business Department	Restricted time deposits	-	-	-	1.10%	145,213	Security deposit
Total						$381,465	

Century Wind Power Co., Ltd.

8. Statement of Changes in Investments Accounted for Under Equity Method

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars and Shares)

Investee companies	As of January 1, 2022		Additions		Decrease		As of December 31, 2023			Fair Value/net assets value		Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total amount	
Century Bladt Foundations Co., Ltd.	5,861	$30,905	-	$-	-	$(26,165) (Note1)	5,861	66.60%	$4,740	$0.81	$4,740	None
Century Heavy Iudustry International Co., Ltd.	1,500	24,074	-	6,672 (Note2)	-	(4,500) (Note2)	1,500	12.50%	26,246	17.50	26,246	None
Total		$54,979		$6,672		$(30,665)			$30,986		$30,986	

Note 1 : Including investment loss recognized under equity method amounted to NT$(27,965) thousand and investment gain NT$1,800 thousand adjusted by IFRS 16.

Note 2: Century Heavy International Co., Ltd,. Increase capital by cash in 2023. The Company failed to subscribe to its original shareholdong to the NT$220 thousand capital surplus. It also includes investment gain recognized under equity method amounted to NT$6,453 thousand and cash dividend NT$(4,500) thousand.

Century Wind Power Co., Ltd.

9. Statement of Changes in Right-of-Use Assets

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	As of January 1, 2022	Additions	Disposals	Reclassification	As of December 31, 2023	
Cost:						
Land	$1,960,682	$251,248	$(5,873)	$-	$2,206,057	
Buildings	22,379	-	(4,201)	-	18,178	
Other equipments	259,226	-	-	-	259,226	
Total	2,242,287	251,248	(10,074)	-	2,483,461	
Accumulated Depreciation:						
Land	277,169	153,013	(267)	-	429,915	
Buildings	4,423	7,236	(4,201)	-	7,458	
Other equipments	56,972	26,967	-	-	83,939	
Total	338,564	187,216	(4,468)	-	521,312	
Net carrying amount:	$1,903,723				$1,962,149	

Century Wind Power Co., Ltd.

10. Statement of Short-Term Loans

As of December 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

Item	Creditor	As of December 31, 2023	Period	Interest Rate	Financing amount	Pledged as collaterals	Note
Bank loans of letters of credit	First Bank	$95,501	2023/08/01~2024/06/17	2.15%	$100,000	Financial assets measured at amortized cost	Please refer to Note 8 for
Bank loans of letters of credit	Mega Bank	112,572	2023/07/04~2024/06/17	2.19%	120,000	Financial assets measured at amortized cost	more details on pledged
Unsecured loans	Mega Bank	130,000	2023/07/04~2024/06/18	1.90%	250,000	Financial assets measured at amortized cost	assets for short-term loans.
Bank loans of letters of credit	Shanghai Commercial & Savings Bank	87,393	2023/07/19~2024/05.26	2.06%	150,000	None	
Bank loans of letters of credit	Shanghai Commercial & Savings Bank	69,724	2023/07/31~2024/06/21	2.31%	214,935	None	
Bank loans of letters of credit	Changhwa Bank	208,137	2023/07/28~2024/06/04	2.20%	350,000	Financial assets measured at amortized cost	
Bank loans of letters of credit	Fubon Bank	145,000	2023/09/01~2024/06/17	1.85%~1.87%	150,000	Financial assets measured at amortized cost	
Bank loans of letters of credit	Cathay United Bank	52,340	2023/10/04~2024/06/04	2.29%	60,000	None	
Bank loans of letters of credit	O-Bank	91,377	2023/08/14~2024/04/03	2.64%	100,000	Financial assets measured at amortized cost	
Unsecured loans	Taiwan Business Bank	300,000	2023/08/28~2024/02/28	2.03%	300,000	None	
Bank loans of letters of credit	Panhsin Bank	39,193	2023/11/03~2024/05/21	2.75%	56,000	Financial assets measured at amortized cost	
Total		$1,331,237					

Century Wind Power Co., Ltd.

11. Statement of Contract Liabilities－Current

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Name	Amount	Note
A2050/A2051	$85	
A2054	107,915	
A2055/A2056	84,723	
Total	$192,723	

Century Wind Power Co., Ltd.

12. Statement of Notes Payable

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Vendor name	Amount	Note
J0110	$5,350	Notes payable are not related party transactions.
A7004	917	
Total	$6,267	

Century Wind Power Co., Ltd.

13. Statement of Trade Payable

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Vendor name	Amount	Note
A2017	$127,533	The amount of individual vendor included in others does not exceed 5% of the account balance and are not related party amounts.
J0020	81,824	
S0160	45,768	
Others	359,813	
Total	$614,938	

Century Wind Power Co., Ltd.

14. Statement of Other Payables

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages payable	$103,307	The amount of individual vendor included in others does not exceed 5% of the account balance.
Accruced employees' compensation	15,990	
Directors' remuneration payable	15,990	
Interest payable	5,376	
Other accrued expense	273,741	
Subtotal	414,404	
Payable on equipment		
Yihao International Co., Ltd.	24,012	
Xu Yuan Construction CO., LTD.	19,205	
Wuxi Sanhong Heavy Industry Machinery Equipment Co., Ltd.	15,147	
Zhizhi Design Marketing Co., Ltd.	12,159	
Qingfeng Engineering Co., Ltd.	11,821	
Yongchen Mechanical and Electrical Engineering Co., Ltd.	10,961	
Others	65,405	
Subtotal	158,710	
Total	$573,114	

Century Wind Power Co., Ltd.

15. Statement of Lease Liabilities

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Period	Discount rate	As of December 31, 2023	Note
Land	2018/6/1~2039/10/3	1.25%~2.42%	$1,805,124	
Buildings	2020/7/1~2025/11/09	2.03%	10,853	
Other equipment	2020/10/5~2030/7/16	1.65%	179,860	
Total			1,995,837	
Less: Current portion of lease liabilities			(175,670)	
Non-current portion of lease liabilities			$1,820,167	

Century Wind Power Co., Ltd.

16. Statement of Operating Revenues

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Construction revenue and Services revenue	-	$8,180,874	
Other	-	26,133	
Total		$8,207,007	

Century Wind Power Co., Ltd.

17. Statement of Operating Costs

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Construction cost		
Direct materials	$1,984,446	
Manufacturing overhead	1,484,068	
Construction expenses	1,228,447	
Subtotal	4,696,961	
Add: Construction in progress at the beginning of the year	9,799,598	
Construction benefits for the year	2,196,156	
Construction costs for the year	4,696,793	
Less: Construction in progress at the end of the year	(16,692,547)	
Less: Net construction loss recognized during the year	-	
Other operating cost	2,076,262	
Loss from inventory valuation	2,281	
Renvenue from the sale of scraps	(6,418)	
Total	$6,769,086	

Century Wind Power Co., Ltd.

18. Statement of Sales and Marketing Expenses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$27,344	The amount of individual account included in others does not exceed 5% of the account balance.
Traveling expense	3,545	
Insurance expense	2,903	
Depreciation	304	
Amortization	54	
Provision for warranties	55,277	
Meals expense	658	
Training expense	505	
Others	2,441	
Total	$93,031	

Century Wind Power Co., Ltd.

19. Statement of General and Administrative Expenses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$75,536	The amount of individual account included in others does not exceed 5% of the account balance.
Traveling expense	6,754	
Insurance expense	5,504	
Depreciation	33,545	
Amortization	571	
Meals expense	753	
Employee welfare	5,387	
Training expense	306	
Professional service expense	10,865	
Directors' compensation	20,180	
Others	4,654	
Total	$164,055	