English Translation of Consolidated Financial Statements Originally Issued in Chinese

Ticker：2072

CENTURY WIND POWER CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS THEN ENDED

Address: No.388-5, Sec.3, Zhongshan Rd., Bali District, New Taipei City, Taiwan (R.O.C)
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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Century Wind Power Co., Ltd. as of December 31, 2023 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Century Wind Power Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Century Wind Power Co., Ltd.

By

Lai, Wen-Xiang
Chairman
March 5th, 2024

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Building a better working world

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English Translation of Consolidated 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 consolidated balance sheets of Century Wind Power Co., Ltd. (the "Company") and its subsidiaries as of December 31, 2023 and 2022 , the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022 and their consolidated 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 and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 consolidated revenue amounting to NT$8,212,916 thousand for the year ended December 31, 2023 is a significant account to the Company's consolidated 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 4, 5 and 6 to the consolidated financial statements.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 and its subsidiaries.

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 and its subsidiaries. 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 consolidated 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 and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group'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 2022 consolidated 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.

Other

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2023 and 2022.

/s/Cheng, Ching-Piao

/s/Lin, Cheng-Wei

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

Notices to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of 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)	$720,069	4	$248,109	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), 7	3,763,188	20	2,600,522	18
1170	Trade receivables, net	4,6(3)	636,282	3	13,057	-
1180	Trade receivables - related parties	4,6(3), 7	-	-	16,548	-
1200	Other receivables		66,472	-	14,648	-
1210	Other receivables - related parties	7	447	-	288	-
1220	Current income tax assets		2,807	-	90,015	1
1310	Inventories, net	4,6(4)	102,072	1	15,355	-
1410	Prepayments		597,421	3	317,336	2
1470	Other current assets	7	17,083	-	44,150	-
11xx	Total current assets		7,484,829	40	4,545,018	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)	26,246	-	24,074	-
1600	Property, plant and equipment	4,6(6),7,8	8,795,249	47	7,379,456	51
1755	Right-of-use assets	4,6(20), 7	1,962,149	11	1,904,232	13
1780	Intangible assets	4,6(7)	3,804	-	7,397	-
1840	Deferred income tax assets	4,5, 6(23)	31,015	-	243,032	2
1990	Other non-current assets	6(8), 7	72,096	-	54,425	-
15xx	Total non-current assets		11,272,024	60	9,985,831	69
1xxx	Total Assets		$18,756,853	100	$14,530,849	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Continued)

As of 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), 7	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	418,226	3
2200	Other payables	6(11)	573,681	3	428,816	3
2220	Other payables - related parties	7	90,828	-	191,321	1
2250	Current provision	4,6(12)	85,944	-	30,667	-
2281	Lease liabilities	4,6(20)	169,583	1	146,085	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)	-	-	678,403	5
2399	Other current liabilities		8,607	-	7,796	-
21xx	Total current liabilities		4,876,212	26	3,596,174	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	1,759,233	12
2582	Lease liabilities - related parties	4,6(20), 7	4,767	-	10,853	-
2600	Other non-current liabilities	7	293	-	223	-
25xx	Total non-current liabilities		5,287,509	28	5,955,632	41
2xxx	Total liabilities		10,163,721	54	9,551,806	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
3350	Unappropriated earnings		822,473	4	(407,185)	(3)
36xx	Non-controlling interests	6(16)	2,377	-	16,401	-
3xxx	Total equity		8,593,132	46	4,979,043	34
	Total liabilities and equity		$18,756,853	100	$14,530,849	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Century Wind Power Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
4000	Operating revenues	4,5,6(18),7	$8,212,916	100	$2,893,757	100
5000	Operating costs	7	(6,793,187)	(83)	(3,387,102)	(117)
5900	Gross profit		1,419,729	17	(493,345)	(17)
6000	Operating expenses					
6100	Sales and marketing		(93,031)	(1)	(48,133)	(1)
6200	General and administrative	7	(170,396)	(2)	(140,775)	(5)
6450	Expected credit-impaired (loss) gain	6(19)	(1,398)	-	-	-
	Total operating expenses		(264,825)	(3)	(188,908)	(6)
6900	Operating income (loss)		1,154,904	14	(682,253)	(23)
7000	Non-operating incomes and expenses	6(22),7				
7100	Interest income		29,888	-	8,801	-
7010	Other incomes		5,517	-	9,241	-
7020	Other gains or losses		(6,231)	-	58,670	2
7050	Finance costs		(169,668)	(2)	(101,413)	(3)
7060	Share of the profit or loss of associates and joint ventures	6(5)	6,452	-	6,202	-
	Total non-operating incomes and expenses		(134,042)	(2)	(18,499)	(1)
7900	Income (loss) before income tax		1,020,862	12	(700,752)	(24)
7950	Income tax expense (income)	4,5,6(23)	(212,413)	(2)	139,606	5
8200	Net income (loss)		808,449	10	(561,146)	(19)
8300	Other comprehensive income (loss)		-	-	-	-
8500	Total comprehensive income (loss)		$808,449	10	$(561,146)	(19)
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		$822,473	10	(561,179)	(19)
8620	Non-controlling interests		(14,024)	-	33	-
			$808,449	10	$(561,146)	(19)
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		$822,473	10	$(561,179)	(19)
8720	Non-controlling interests		(14,024)	-	(33)	-
			$808,449	10	(561,212)	(19)
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 consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the 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	Non-controlling Interests	Total Equity
Code	Items	3100	3200	3310	3350	31xx	36xx	3xxx
A1	Balance as of January 1, 2022	$1,000,000	$2,324,364	$76,816	$637,771	$4,038,951	$16,368	$4,055,319
	Appropriation and distribution of 2021 earnings:							
B1	Legal reserve			63,777	(63,777)	-		-
B5	Cash dividends-common shares				(420,000)	(420,000)		(420,000)
D1	Net income (loss) for 2022				(561,179)	(561,179)	33	(561,146)
D3	Other comprehensive income (loss) for 2022				-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	(561,179)	(561,179)	33	(561,146)
E1	Insurance of common stock in cash	200,000	1,700,000			1,900,000		1,900,000
N1	Share-based payments		4,870			4,870		4,870
Z1	Balance as of December 31, 2022	1,200,000	4,029,234	140,593	(407,185)	4,962,642	16,401	4,979,043
	Appropriation and distribution of 2022 earnings:							
C11	Capital surplus used to offset accumulated deficits		(407,185)		407,185	-		-
D1	Net income (loss) for 2023				822,473	822,473	(14,024)	808,449
D3	Other comprehensive income (loss) for 2023				-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	822,473	822,473	(14,024)	808,449
E1	Insurance of common stock in cash	200,000	2,600,000			2,800,000		2,800,000
M7	Change in equity of associate and joint ventures		220			220		220
N1	Share-based payments		5,420			5,420		5,420
Z1	Balance as of December 31, 2023	$1,400,000	$6,227,689	$140,593	$822,473	$8,590,755	$2,377	$8,593,132

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the 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	$1,020,862	$(700,752)
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (including right-of-use assets)	808,975	438,445
A20200	Amortized expense	1,907	1,807
A20300	Expected credit-impaired (loss) gain	1,398	-
A20900	Interest expense	169,668	101,413
A21200	Interest income	(29,888)	(8,801)
A21900	Share-based remuneration costs	5,420	4,870
A22300	Share of the profit or loss of associates and joint ventures	(6,452)	(6,202)
A22500	(Gain) loss on disposal of property, plant and equipment	7,434	(158)
A22600	Property, plan and equipment transferred to expenses	3,050	-
A22800	(Gain) loss on disposal of intangible asset	1,895	-
A29900	Gain on lease modification	(10)	(65)
A30000	Changes in operating assets and liabilities:		
A31125	Contract assets	(1,162,666)	(515,960)
A31150	Trade receivables	(623,225)	113,608
A31160	Trade receivable - related parties	15,150	24,464
A31180	Other receivables	(45,279)	(10,094)
A31190	Other receivables - related parties	(159)	480
A31200	Inventories	(86,717)	(7,432)
A31230	Prepayments	(280,085)	(129,954)
A31240	Other current assets	27,067	(27,863)
A31990	Other non-current assets	(6,282)	651
A32125	Contract liabilities	(278,009)	(52,946)
A32130	Notes payable	(45,506)	19,784
A32140	Notes payable - related parties	(78,427)	74,227
A32150	Trade payable	531,629	(77,857)
A32160	Trade payable - related parties	789,866	281,760
A32180	Other payables	227,824	2,788
A32190	Other payables - related parties	(100,493)	112,585
A32200	Provision	55,277	22,033
A32230	Other current liabilities	(677,592)	223,682
A33000	Cash generated from (used in) operations	246,632	(115,487)
A33300	Interest paid	(168,359)	(100,281)
A33500	Income tax returned (paid)	87,208	(219,217)
AAAA	Net cash provided by (used in) operating activities	165,481	(434,985)

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	(2,143,173)	(1,993,002)
B02800	Disposal of property, plant and equipment	-	52,672
B03700	Decrease (increase) in refundable deposits	(253)	(10,370)
B04500	Acquisition of intangible assets	(209)	(3,349)
B07500	Interest received	23,343	7,549
B07600	Dividend received	4,500	-
BBBB	Net cash provided by (used in) investing activities	(2,518,040)	(1,957,893)
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	70	223
C04020	Cash payments for the principal portion of the lease liabilities	(172,878)	(148,439)
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	2,824,519	2,377,643
EEEE	Increase (decrease) in cash and cash equivalents	471,960	(15,235)
E00100	Cash and cash equivalents at beginning of period	248,109	263,344
E00200	Cash and cash equivalents at end of period	$720,069	$248,109

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

1. History and organization

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

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

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

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended December 31, 2023 and 2022 were authorized to be issued by the Board of Directors on March 5th, 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 Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(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 Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	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 additional seller-lessees 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 remaining standards and interpretations have no material impact on the Group.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	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 Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group assesses new or amendments and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group 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") and International Financial Reporting Standard, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretation Committee as endorsed by the FSC.

(2) Basis of preparation

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

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

A. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. Exposure, or rights, to variable returns from its involvement with the investee, and
C. The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. The contractual arrangement with the other vote holders of the investee
B. Rights arising from other contractual arrangements
C. The Group's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

A. Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. Derecognizes the carrying amount of any non-controlling interest;
C. Recognizes the fair value of the consideration received;
D. Recognizes the fair value of any investment retained;
E. Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%) As of December 31,	
Investor	Subsidiary	Main businesses	2023	2022
The Company	Century Bladt Foundations Co., Ltd.	Wind power offshore's underwater basic product and consulting services of construction management	66.60%	66.60%

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective 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.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Group holds the asset primarily for the purpose of trading.
C. The Group 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 Group expects to settle the liability in its normal operating cycle.
B. The Group 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 Group 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.

(6) Cash and cash equivalents

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

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Group 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 Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group 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 Group’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 recognise 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 Group 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 Group 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:

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

②Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group 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 Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Group 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 Group 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 Group 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.

(8) 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 Group.

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 Group 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.

(9) 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.

(10) Investments accounted for using the equity method

The Group'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 Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group'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 Group 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 Group and the associate or joint venture are eliminated to the extent of the Group'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 affects the Group's percentage of ownership interests in the associate or joint venture, the Group 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 prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group 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 Group disposes the associate or joint venture.

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

The Group 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 Group 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 Group 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 Group 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.

(11) Property, plant and equipment

Property, plant and equipment is 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 Group 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.

(12) Leases

The Group 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 Group 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 Group 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 Group 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 Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

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

At the commencement date, the Group 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 Group 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 Group 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 Group 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 Group 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 Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group 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 Group 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 Group accounted for as short-term leases or leases of low-value assets, the Group 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 of comprehensive income.

For short-term leases or leases of low-value assets, the Group 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.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment. The Group have applied the practical expedient to all rent concessions that meet the conditions for it.

Group as a lessor

At inception of a contract, the Group 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 Group 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 Group allocates the consideration in the contract applying IFRS 15.

The Group 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.

(13) 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 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 Group'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

(14) Impairment of non-financial assets

The Group 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 Group 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 Group estimates the asset's or cash-generating unit's recoverable amount. 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 its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

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

(15)Provisions

Provisions are recognized when the Group 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 Group 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.

(16) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Construction Revenue

The Group 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 Group recognizes revenue over time. The Group 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 Group recognizes a contract liability for the difference.

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

The Group'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.

(17)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.

(18) Post-employment benefits

All regular employees of the Group 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 Group. Therefore fund assets are not included in the Group's Consolidated financial statements.

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

(19) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries 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 Group'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.

(20) 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 income tax for undistributed 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, does not give rise to equal 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 deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group 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 at each reporting date and are recognized accordingly. 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 Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial 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 Group 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 Group 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 Group 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
Checking and savings	$720,069	$248,109

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

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

(3) Trade receivables and trade receivables-related parties

	As of December 31,	
	2023	2022
Trade receivables	$636,282	$13,057
Less: loss allowance	-	-
Subtotal	636,282	13,057
Trade receivables - related parties	-	16,548
Less: loss allowance	-	-
Subtotal	-	16,548
Total	$636,282	$29,605

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

Trade receivables were not pledged.

Trade receivables are generally on 20-60 day terms after invoice is issued. The Group collects receivables from construction and rendering of services based on the completion status of contracts. The total carrying amount were NT$636,282 thousand and NT$29,605 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 for 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$6,793,187 thousand and NT$3,387,102 thousand for the years ended December 31, 2023 and 2022, respectively. The following items were also included in cost:

	As of December 31,	
	2023	2022
Allowance to reduce inventory to market (Gain from price recovery of inventory)	$2,281	$-

C. Inventories were not 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 associates:				
Century Heavy Industry International Co., Ltd.	$26,246	12.50%	$24,074	25.00%

A. Investments in associates

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

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 Group failed to subscribe to its original shareholding, leading the Group's ownership interest in Century Heavy Industry International Co., Ltd. to decrease from 25.00% to 12.50%. The Group recognized the difference arising from not subscribing to its original shareholding and added it to capital surplus in the amount of NT$220 thousand.

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

	For the year ended December 31,	
	2023	2022
Profit (loss) 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.

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

(6) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Construction in progress and equipment awaiting inspection	Total
Cost:							
As of Jan. 1, 2023	$173,888	$4,874,159	$1,265,529	$42,591	$15,681	$1,529,694	$7,901,542
Additions	-	-	77,116	9	6,211	1,758,926	1,842,262
Disposals	-	-	(4,216)	-	(65)	(7,417)	(11,698)
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	$2,427,445	$46,194	$21,959	$1,841,207	$9,937,613
As of Jan. 1, 2022	$-	$1,825,878	$576,465	$19,791	$10,525	$3,599,736	$6,032,395
Additions	173,888	55,705	203,965	9,283	3,240	1,220,230	1,666,311
Disposals	-	-	(17)	-	(139)	-	(156)
Other changes	-	2,992,576	485,116	13,517	2,055	(3,290,272)	202,992
As of Dec. 31, 2022	$173,888	$4,874,159	$1,265,529	$42,591	$15,681	$1,529,694	$7,901,542
Depreciation and impairment:							
As of Jan. 1, 2023	$-	$315,915	$193,359	$6,781	$6,031	$-	$522,086
Depreciation	-	278,657	333,552	5,382	3,901	-	621,492
Disposals	-	-	(1,166)	-	(48)	-	(1,214)
Other changes	-	-	-	-	-	-	-
As of Dec. 31, 2023	$-	$594,572	$525,745	$12,163	$9,884	$-	$1,142,364
As of Jan. 1, 2022	$-	$154,800	$68,133	$2,404	$3,119	$-	$228,456
Depreciation	-	161,115	125,243	4,377	3,051	-	293,786
Disposals	-	-	(17)	-	(139)	-	(156)
Other changes	-	-	-	-	-	-	-
As of Dec. 31, 2022	$-	$315,915	$193,359	$6,781	$6,031	$-	$522,086
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	$35,810	$9,650	$1,529,694	$7,379,456

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

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

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

(7) Intangible assets

	Computer software
Cost:	
As of Jan. 1, 2023	$10,295
Additions – acquired separately	209
Derecognized upon retirement	(3,708)
As of Dec. 31, 2023	$6,796
As of Jan. 1, 2022	$7,096
Additions – acquired separately	3,349
Derecognized upon retirement	(150)
As of Dec. 31, 2022	$10,295
Amortization and impairment:	
As of Jan. 1, 2023	$2,898
Amortization	1,907
Derecognized upon retirement	(1,813)
As of Dec. 31, 2023	$2,992
As of Jan. 1, 2022	$1,241
Amortization	1,807
Derecognized upon retirement	(150)
As of Dec. 31, 2022	$2,898
Net carrying amount:	
As of Dec. 31, 2023	$3,804
As of Dec. 31, 2022	$7,397

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

Intangible assets recognition of amortization:

	For the year ended December 31,	
	2023	2022
Manufacturing overheads	$1,199	$907
Marketing expenses	54	54
Administrative expenses	654	846
Total	$1,907	$1,807

(8) Other non-current assets

	As of December 31,	
	2023	2022
Prepayments in equipments	$50,386	$39,250
Refundable deposits	14,284	14,031
Long-term prepayments	7,426	1,144
Total	$72,096	$54,425

(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 Group’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.

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

(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	$409,595	$181,771
Interest payable	5,376	4,067
Payables on equipment	158,710	242,978
Total	$573,681	$428,816

(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.

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

(13) Refund liability

	Refund liability
As of Jan. 1, 2023	$678,403
Arising during the period	-
Utilized and unused provision reversed	(678,403)
As of Dec. 31, 2023	$-
As of Jan. 1, 2022	$450,207
Arising during the period	342,865
Decreased and unused provision reversed	(114,669)
As of Dec. 31, 2022	$678,403

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%.

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

Lenders	Dec. 31, 2023	Repayment
Credit loans from The Chang Hwa Commercial Bank, Ltd.	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%.
Secured loans from The Chang Hwa Commercial Bank, Ltd	150,000	Secured bank loans guaranteed by land and buildings. Since August 2023, interest payment was made at the end of each month. Principal will be paid until the loan expires. The annual interest rates is 1.83%.
Secured loans from The Export-lmport Bank of Roc	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	

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

Details of long-term loans are as follows:

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

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

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

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 Group entered into an agreement of syndicated loans in amount of NT$5,500,000 thousand with eight banks on January 22, 2021. The loan contracts include three kinds of credit line. The first credit line is NT$1,000,000 thousand; The second credit line is NT$500,000 thousand; The third credit line is NT$4,000,000 thousand.

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

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

The 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 and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have 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$13,429 thousand and NT$11,320 thousand, respectively.

Pension expenses for the years ended December 31, 2023 and 2022 were NT$3,665 thousand and NT$2,483 thousand, respectively.

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

(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, each share at par value of NT$10, divided into 140,000 thousand shares, and 120,000 thousand shares. 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.

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

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

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

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

(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.

D. Changes in non-controlling interests

	For the year ended December 31,	
	2023	2022
Beginning balance	$16,401	$16,368
Net gain (loss) attributable to NCIs	(14,024)	33
Ending balance	$2,377	$16,401

(17) Share-based benefit plan

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' meetings 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.

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

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 part of new shares for employees to subscribe it.

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

	Employee stock option plan for the Cash Capital Increase			
	2023		2022	
	unit (thousand)	Weighted average Exercise Price (NT$/Share)	unit (thousand)	Weighted average Exercise Price (NT$/Share)
Outstanding share as of January 1st ,2023	-	$-	-	$-
Issue	2,000	140	2,000	95
Exercise	(849)	140	(76)	95
Expire	(1,151)	-	(1,924)	-
Outstanding share as of December 31 ,2023	-		-	
Fair value of the stock options granted in the current period (NT$/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	0.099 year	0.16 year
Risk-free rate	0.8655%	1.25%

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

Expected volatility is the average annualized volatility given to the stock price for the previous year.

B. The compensation costs recognized for the years ended December 31, 2023 and 2022 due to the cash capital increase reserved for employee subscription were NT$5,420 thousand and NT$4,870 thousand, respectively.

(18) Operating revenue

	For the year ended December 31,	
	2023	2022
Revenue from contracts with customer		
Construction revenue and services revenue	$8,186,783	$2,875,678
Other revenue	26,133	18,079
Total	$8,212,916	$2,893,757

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

A. Disaggregation of revenue

	For the year ended December 31,	
	2023	2022
	Single department	Single department
Construction revenue and services revenue	$8,186,783	$2,875,678
Other revenue	26,133	18,079
Total	$8,212,916	$2,893,757
The timing for revenue recognition:		
Over time	$8,186,783	$2,875,678
At a point of time	26,133	18,079
Total	$8,212,916	$2,893,757

(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	$2,600,522	$2,084,562
Current	$3,763,188	$2,600,522	$2,084,562
Non-current	-	-	-
Total	$3,763,188	$2,600,522	$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	$523,678
Current	$192,723	$470,732	$523,678
Non-current	-	-	-
Total	$192,723	$470,732	$523,678

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 (including related parties)	-	-
Total	$-	$-

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

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

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

	As of December 31,	
	2023	2022
Gross carrying amount	$3,763,188	$2,600,522
Loss ratio	-%	-%
Lifetime expected credit losses	-	-
Total	$3,763,188	$2,600,522

(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 groups, details are as follows:

December 31, 2023

		Overdue				
	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	$29,605	$-	$-	$-	$-	$29,605
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount of trade receivables	$29,605	$-	$-	$-	$-	$29,605

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

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

	Contract assets	Trade 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. Group as a lessee

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

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

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

(a) Amounts recognized in the balance sheet

①Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Land	$1,776,142	$1,683,513
Buildings	10,720	18,465
Other equipment	175,287	202,254
Total	$1,962,149	$1,904,232

For the years ended December 31, 2023 and 2022, right-of-use assets increased by NT$251,248 thousand and NT$454,882 thousand, respectively.

②Lease liability

	As of December 31,	
	2023	2022
Lease liabilities	$1,984,983	$1,905,318
Lease liabilities-related parties	10,854	18,007
Total	$1,995,837	$1,923,325
Current	$175,670	$153,239
Non-current	1,820,167	1,770,086
Total	$1,995,837	$1,923,325

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.

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

(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	7,503	5,348
Other equipment	26,967	26,967
Total	$187,483	$144,659

(c) Income and costs relating to leasing activities

	For the year ended December 31,	
	2023	2022
The expenses relating to short-term leases	$50,655	$57,574
The expenses relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	810	521
The expenses relating to variable lease payments not included in the measurement of lease liabilities	2,387	13,497

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Group’s total cash outflow for leases amounting to NT$263,013 thousand and NT$307,732 thousand, respectively.

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

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

Function / Nature	For the year ended December 31,					
	2023			2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits expenses						
Salaries and wages	$580,836	$83,817	$664,653	$415,065	$51,410	$466,475
Labor and health insurance	46,087	7,176	53,263	31,873	5,712	37,585
Pension expense	14,180	2,914	17,094	11,333	2,470	13,803
Others	40,063	29,554	69,617	32,073	10,917	42,990
Depreciation expense	774,964	34,011	808,975	404,452	33,993	438,445
Amortization expense	1,199	708	1,907	907	900	1,807

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

Based on profit of the year ended December 31, 2023, the Company estimated the amounts of the employees' 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 director's remuneration.

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

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

The Company's Board of Directors has resolved the employees' compensation and remuneration to directors all in cash, amounted to 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 employee's 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	$29,888	$8,801

B. Other income

	For the year ended December 31,	
	2023	2022
Rental income	$2,143	$567
Other income - others	3,374	8,674
Total	$5,517	$9,241

C. Other gains and losses

	For the year ended December 31,	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$(7,434)	$158
Gain on disposal of intangible assets	(1,895)	-
Foreign exchange gain (loss), net	3,400	58,520
Gain on lease modification	10	65
Other losses	(312)	(73)
Total	$(6,231)	$58,670

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

D. Finance costs

	For the year ended December 31,	
	2023	2022
Interest on bank loans	$160,314	$105,274
Interest on lease liabilities	36,283	24,911
Finance expenses	7,007	5,819
Less: interest capitalization	(33,936)	(34,591)
Total	$169,668	$101,413

Details of interest capitalization are as follow:

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

(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)

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

B. The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	For the year ended December 31,	
	2023	2022
Continuing operating income(loss) before tax	$1,020,862	$(700,752)
The amount of tax calculated at the domestic tax rate applicable to the income of the relevant country	$204,172	$(140,137)
The income tax impact of non-deductible expenses in tax returns	(95)	357
Income tax impact on deferred tax assets/liabilities	8,398	(220)
Deferred income tax relating to the original accrual of taxable losses and their reversal	-	164
Adjustment of the current income tax of the previous year to the current year	(62)	230
The total amount of income tax expense (benefit) recognised in profit or loss	$212,413	$(139,606)

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

C. The balance of deferred tax assets (liabilities) relating to the following items

December 31, 2023

	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Foreign exchange gain (loss)	$(4,064)	$(396)	$(4,460)
Liability Provision - Warranty	6,134	11,055	17,189
Refund liability	135,680	(135,680)	-
Unused taxable losses	101,218	(87,848)	13,370
Loss on inventory decline	-	456	456
Deferred tax benefits/(expenses)		$(212,413)	
Net deferred tax assets/(liabilities).	$238,968		$26,555
The information expressed in the balance sheet is 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)

December 31, 2022

	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Foreign exchange gain (loss)	$7,364	$(11,428)	$(4,064)
Liability Provision - Warranty	1,727	4,407	6,134
Refund liability	90,041	45,639	135,680
Unused taxable losses	-	101,218	101,218
Deferred tax benefits/(expenses)		$139,836	
Net deferred tax assets/(liabilities).	$99,132		$238,968
The information expressed in the balance sheet is as follows:			
Deferred tax assets	$99,132		$243,032
Deferred tax liabilities	$-		$4,064

D. The information on the unused taxable losses of individuals within the group is summarized below:

A. Century Wind Power Co., Ltd.

		Unused balance As of December 31		
Year	Amount	2023	2022	Final deductible year
2022	$506,089	$66,848	$506,089	2032

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

B. Century Bladt Foundations Co., Ltd.

		Unused balance As of December 31		
Year	Amount	2023	2022	Final deductible year
2019	$26,411	$25,795	$25,795	2029
2021	9,207	9,207	9,207	2031
2023(estimate)	30,403	30,403	-	2033
Total		$65,405	$35,002	

E. Deferred tax assets that are not recognized

As of December 31, 2023 and December 31, 2022. The aggregate amount of deferred tax assets not recognized by the Group was $0 and $7,002 thousand, respectively.

F. The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company and its domestic subsidiaries are as follows:

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

(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	$(5.41)
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$822,473	(Note)
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$822,473	(Note)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	123,333	(Note)
Effect of dilution:		
Employees' compensation - stock (in thousands)	64	(Note)
Weighted average number of ordinary shares outstanding after dilution (in thousands)	123,397	(Note)
Diluted earnings per share (NT$)	$6.67	(Note)

Note:The Company's employee compensation for the year 2022 has an anti-dilution effect, so diluted earnings per share are not calculated.

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.

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

(25) Changes in parent's interest in subsidiaries

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

Proportion of equity interest held by non-controlling interests:

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

Accumulated balances of material non-controlling interest:

	As of December 31,	
	2023	2022
Century Bladt Foundations Co., Ltd.	$2,377	$16,401

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

	For the year ended December 31,	
	2023	2022
Century Bladt Foundations Co., Ltd.	$(14,024)	$33

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

Summarized information of profit or loss is as follows:

	For the year ended December 31,	
Century Bladt Foundations Co., Ltd.	2023	2022
Operating revenue	$30,788	$147,890
Income (loss) for the period from continuing operations	(41,989)	99
Total comprehensive income	(41,989)	99

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

Summarized information of financial position is as follows:

	As of December 31,	
Century Bladt Foundations Co., Ltd.	2023	2022
Current assets	$7,684	$52,896
Non-current assets	-	35,211
Current liabilities	567	(18,834)
Non-current liabilities	-	(20,167)

Summarized information of cash flows is as follows:

	For the year ended December 31,	
Century Bladt Foundations Co., Ltd.	2023	2022
Operating activities	$(7,111)	$(28,408)
Investing activities	3,290	5,678
Financing activities	(1,885)	(9,059)
Net increase/(decrease) in cash and cash equivalents	(5,706)	(31,789)

7. Related party transactions

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

Name and nature of relationship of the related parties

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

(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.	$6,243	$54,439
Century Huaxin Wind Energy Co., Ltd.	-	33
Xiang Xing Industry Ltd.	-	425
Total	$6,243	$54,897

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
Century Huaxin Wind Energy Co., Ltd.	340,161	14,092
Total	$2,388,849	$1,326,093

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

D. The Group 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	4,043	9,785
Xiang Xing Industry Ltd.	8,331	3,415
Taijing Tongyun Co., Ltd.	10,413	116
Total	$482,449	$153,665

E. The Group signed contract for the sale and purchase of steel materials and a service contract with related party 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. Contract assets

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$506

G. Trade receivable-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$16,548

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

H. Other receivables-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$447	$288

I. other prepayments- related party (recognized as prepayments)

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

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

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

K. 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)

L. 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 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	$418,226

M. Other payables-related party

	As of December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$71,290	$187,643
Bladt Industries A/S	-	714
Century Huaxin Wind Energy Co., Ltd.	3,490	-
Xiang Xing Industry Ltd.	1,418	1,418
Taijing Tongyun Co., Ltd.	14,630	1,546
Total	$90,828	$191,321

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

	As of December 31,	
	2023	2022
Century Heavy Industry International Co., Ltd.	$9	$9

O. Lease-related parties

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

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

Name of the related parties	The leased subject	Period	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	Calculated by room type	66
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				$2,063
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	03/01/2021~09/30/2022 10/01/2022~12/31/2024	Calculated by room type	168
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2021~09/30/2022 10/01/2022~12/31/2024	$3/ Per person	27
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	03/01/2021~09/30/2022 10/01/2022~12/31/2024	$3/ Per person	54
LAI, HUI-HUA	Staff dormitory	11/01/2021~10/31/2022 11/01/2022~10/31/2023	$50/ Per month	683
Century Iron and Steel Industrial Co., Ltd.	Staff dormitory	06/01/2022~08/31/2022	$162/ Per month	486
Total				$4,464

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

Group 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

(c) Interest expense

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$286	$198

(d) Gain on lease modification

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$-	$65

P. Acquisition of property, plant and equipment

Name of Property	Related parties	Amount	Price reference
For the year ended December 31, 2023			
Office equipment	Century Iron and Steel Industrial Co., Ltd.	$32	Commercial negotiation
For the year ended December 31, 2022			
Machinery equipment (Recorded under construction in progress and equipment awating 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
Building	Century Iron and Steel Industrial Co., Ltd.	$54,212	Refer to appraisal price of professional appraisal agencies
Office equipment	Century Iron and Steel Industrial Co., Ltd.	$65	Commercial negotiation

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

Q. Disposal of property, plant and equipment

The Group 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

R. Operating expense and operating cost

	Account	For the year ended December 31, 2023	For the year ended December 31, 2022
Century Iron and Steel Industrial Co., Ltd.	Postal expenses, utilities expenses, office supplies and miscellaneous	$1,854	$5,510
Century Green Energy Vocational Senior High School	Donation	3,050	-
Total		$4,904	$5,510

S. Other incomes

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

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

T. Rental income

The Group did not have rental income with related parties for the year ended December 31, 2023, and the details for the year ended December 31, 2022 are as follows:

Name of the related parties	Leased subject	Period	Price	Total rent income
Century Huaxin Wind Energy Co., Ltd.	Machinery equipment	Calculated by use time	Commercial negotiation	$23

U. Interest expense

	For the year ended December 31,	
	2023	2022
Century Iron and Steel Industrial Co., Ltd.	$832	$-

Accounts receivable derived from providing services to Century Iron and Steel Industrial Co., Ltd. were collected early, which resulted in interest expenses.

(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	$42,769	$19,450

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

8. Assets pledged as collateral

The following assets of the Group are pledged as collaterals:

Item	As of December 31, 2023	As of December 31, 2022	Secured liabilities
Financial assets measured at amortized cost	$1,960,453	$1,558,205	Security deposit, reserve account, letters of credit and short-term loans and long-term loans
Property, plant and equipment	2,251,009	1,862,524	Long-term 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 Group’s performance guarantee to be entrusted by financial institute as of December 31, 2023 was NT$11,860,401 thousand.

(3) As of December 31, 2023, the Group’s major property, plant and equipment contracts that have not been completed were as follows:

Contract	Contract amount	Payment	Unpaid amount
Major contract of Taipei port southern terminal	$5,439,852	$5,207,916	$231,936

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

10. Losses due to major disasters

None.

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

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 expected to subscribe no more than 7,500 thousand shares, at a par value of NT$60 per share, and the 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)	$720,069	$248,109
Financial assets measured at amortized cost	1,960,453	1,558,205
Trade receivables (including related parties)	636,282	29,605
Other receivables (including related parties)	66,919	14,936
Total	$3,383,723	$1,850,855

(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	2,493,806	1,251,872
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	1,923,325
Total	$9,871,694	$8,359,921

(2) Financial risk management objectives and policies

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

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

(3) Market risk

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

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

Foreign currency risk

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

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

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

When NT dollars strengthens/weakens against foreign currency US dollars by 1%, the profit for the year 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank loans with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and loans with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the year ended December 31, 2023 and 2022 to decrease/ increase by NT$2,462 thousand and NT$3,217 thousand, respectively.

(4) Credit risk management

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

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

As of 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 Group.

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

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

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

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

(5) Liquidity risk management

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

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	2,493,806	-	-	-	-	2,493,806
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	1,251,872	-	-	-	-	1,251,872
Lease liabilities	185,750	177,537	169,030	164,230	1,480,787	2,177,334

(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	$223	$1,923,325	$7,108,272
Cash flows	775,072	5	(577,750)	70	(172,878)	24,519
Non-cash changes	-	-	-	-	245,390	245,390
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	$-	$1,622,176	$5,761,041
Cash flows	(73,903)	249,579	870,183	223	(148,439)	897,643
Non-cash changes	-	-	-	-	449,588	449,588
As of December 31, 2022	$556,165	$299,563	$4,328,996	$223	$1,923,325	$7,108,272

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

(7) Fair values of financial instruments

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

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

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

B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

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

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

(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	$646,365
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 Group amounted to NT$3,400 thousand and NT$ 58,520 thousand for the years ended December 31, 2023 and 2022, respectively.

(10) Capital management

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

13. Other disclosures

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of 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: 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.

J. Intercompany relationships and significant intercompany transactions for the year ended December 31, 2023: Please refer to attachment 3.

(2) Information on investees

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

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

(a) Financing provided to others: None.

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

(c) Marketable securities held as of 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

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

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

B. Geographical information

(a) Revenue from external customers

	For the year ended December 31,	
	2023	2022
Taiwan	$8,212,916	$2,893,757

(b) Non-current assets (excluding refundable deposits and deferred tax assets)

	For the year ended December 31,	
	2023	2022
Taiwan	$11,226,725	$9,728,768

C. Information of important customers: The Group's revenue from external customers accounts for more than 10% of the consolidated revenue.

	As of December 31,	
Customers	2023	2022
A	$2,541,986	$2,547,065
B	3,898,542	-
C	1,518,026	-
Total	$7,958,554	$2,547,065

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

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

For the year ended December 31, 2023

Attachment 1

(In Thousands of New Taiwan Dollars)

			Transactions				Details of non-arm's length transaction		Notes and accounts receivables (payable)		
Company Name	Related party	Relationship	Purchases (sales)	Amount	Percentage of total purchases (sales)(%)	Payment/ collection term	Unit price	Payment/ collection term	Balance	Percentage of total receivables (payable) (%)	Note
Century Wind Power Co., Ltd.	Century Iron and Steel Industrial Co., Ltd.	Parent company	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	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	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 Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

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

For the year ended 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 &2)
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

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

Note 2 : Including investment loss recognized under equity method amounted to NT$(27,965) thousand and investment gain NT$1,800 thousand adjusted by IFRS 16.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Wind Power Co., Ltd. and Subsidiaries

Intercompany relationships and significant intercompany transactions

For the year ended December 31, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter-party	Nature of relationship (Note 2)	Intercompany Transaction			
				Account	Amount	Terms	Percentage to consolidated net revenue or total asssets (Note 3)
0	Century Wind Power Co., Ltd.	Century Bladt Foundations Co., Ltd.	1	Rent revenue	$1,745	By contract	0.02%
1	Century Bladt Foundations Co., Ltd.	Century Wind Power Co., Ltd.	2	Service revenue	24,879	By contract	0.30%

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

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

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

Note 2: Transactions are categorized as follows：

1. Investor to investee.

2. Investee to investor.

3. Investee to investee.

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