

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

Ticker : 9958

**CENTURY IRON AND STEEL INDUSTRIAL CO., LTD.
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS THEN ENDED**

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

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

Parent-Company-Only Financial Statements

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Shareholders of
Century Iron And Steel Industrial Co., Ltd.

Opinion

We have audited the accompanying Parent-Company-Only balance sheets of Century Iron And Steel Industrial Co., Ltd. (the “Company”) as of December 31, 2025 and 2024, the related Parent-Company-Only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the Parent-Company-Only financial statements, including the summary of significant accounting policies (together referred as “the Parent-Company-Only financial statements”).

In our opinion, the Parent-Company-Only financial statements referred to above present fairly, in all material respects, the Parent-Company-Only financial position of the Company as of December 31, 2025 and 2024, and their Parent-Company-Only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 Parent-Company-Only financial statements. These matters were addressed in the context of our audit of the Parent-Company-Only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Construction Revenue

The Company's Parent-Company-Only revenue amounting to NT\$2,952,821 thousand for the year ended December 31, 2025 is a significant account to the Company's Parent-Company-Only financial statements. The Company provides the manufacturing of steel structure, 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 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 a significant impact on calculation of the percentage of completion and construction gains or losses. 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 calculation 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 Parent-Company-Only financial statements.



Trade receivables and contract assets - estimation of impairment loss (including project retention)

The Company's Parent-Company-Only trade receivables and contract assets as of December 31, 2025 amounted to NT\$1,881,035 thousand. The Parent-Company-Only net trade receivables represented 8% of the Company's Parent-Company-Only total assets and were significant to the Company's Parent-Company-Only financial statements. The amount of loss allowance against trade receivable and contract assets is measured based on expected credit loss during its existing period. For the measurement purpose, underlying trade receivables and contract assets should be grouped appropriately and the application of related assumptions, including proper aging intervals and expected loss ratio for each aging interval, to be judged and analyzed. We conclude that the estimation of impairment loss toward trade receivables and contract assets is one of the key audit matters due to its complexity of judgement, analysis and estimation and its significant impact on carrying value of net trade receivables and contract assets. Our audit procedures therefore include, but not limit to, analyzing the appropriateness of the methodology to group trade receivables and contract assets, confirming whether the customers with significantly different loss patterns (i.e. similar risk characteristics) are appropriately grouped (i.e. by historical experiences, etc.); testing the preparation matrix adopted by the Company, including evaluation on reasonableness of determining aging intervals, and examining the correctness of original document for basic information; reviewing trade receivable and contract assets subsequent collection for evaluating its recoverability, etc. We have also evaluated the appropriateness of the related disclosure in Note 5 and 6 to the Parent-Company-Only financial statements.

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

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

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



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

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

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

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

1. Identify and assess the risks of material misstatement of the Parent-Company-Only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent-Company-Only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent-Company-Only financial statements, including the accompanying notes, and whether the Parent-Company-Only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent-Company-Only financial statements. We are responsible for the direction, supervision and performance of the group 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 2025 Parent-Company-Only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



/s/Lin, Cheng-Wei

/s/Chen, Kuo-Shuai

Ernst & Young, Taiwan

March 2nd, 2026

Notices to Readers

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

Accordingly, the accompanying Parent-Company-Only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the 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 Parent-Company-Only Financial Statements Originally Issued in Chinese

Century Iron And Steel Industrial Co., Ltd.

Parent-Company-Only Balance Sheets

As of December 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2025		As of December 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$892,914	4	\$796,366	3
1110	Financial assets at fair value through profit or loss	4, 6(2)	19,676	-	12,857	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	5	-	5	-
1140	Contract assets	4, 6(22), 7	1,334,458	6	1,586,225	7
1150	Notes receivable, net	4, 6(5)	9,406	-	34,779	-
1170	Trade receivables, net	4, 6(6)	140,325	-	303,626	1
1180	Accounts receivable - related parties, net	4, 6(6), 7	406,252	2	1,045,446	4
1197	Financing lease payments receivable, net	4, 6(7)	100,965	-	97,612	1
1200	Other receivables		26,290	-	4,161	-
1210	Other receivables - related parties	7	201,173	1	20,882	-
1220	Current tax assets	4, 6(28)	138,168	-	-	-
130x	Inventories, net	4, 6(8)	1,141,984	5	1,367,147	6
1470	Other current assets	7	48,984	-	468,607	2
11xx	Total current assets		<u>4,460,600</u>	<u>18</u>	<u>5,737,713</u>	<u>24</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2)	121,638	1	121,638	-
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	244,106	1	320,186	1
1535	Financial assets measured at amortized cost	4, 6(4), 8	91,830	-	371,439	2
1550	Investment accounted for under equity method	4, 6(9)	14,107,888	58	12,538,681	52
1600	Property, plant and equipment	4, 6(10), 8	4,315,052	18	4,357,279	18
1755	Right-of-use assets	4, 6(24)	13,330	-	19,726	-
1760	Investment property	4, 6(11), 8	58,777	-	59,857	-
1780	Intangible asset	4, 6(12)	1,056	-	488	-
1840	Deferred income tax assets	4, 6(28)	211,818	1	306,846	1
194D	Long-term financing lease payments receivable	4, 6(7)	272,396	1	373,411	2
1990	Other non-current assets	6(13),7	316,589	2	47,869	-
15xx	Total non-current assets		<u>19,754,480</u>	<u>82</u>	<u>18,517,420</u>	<u>76</u>
1xxx	Total assets		<u>\$24,215,080</u>	<u>100</u>	<u>\$24,255,133</u>	<u>100</u>

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

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

Century Iron And Steel Industrial Co., Ltd.

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2025		As of December 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(14)	\$2,140,442	9	\$584,838	3
2120	Financial liabilities at fair value through profit or loss	4, 6(15)	63,600	-	-	-
2130	Contract liabilities	4, 6(22), 7	85,806	-	77,264	-
2150	Notes payable		158,472	1	202,486	1
2160	Notes payable - related parties	7	3,729	-	-	-
2170	Trade payables		318,307	1	534,655	2
2180	Trade payables - related parties	7	77,164	-	286,395	1
2200	Other payables	6(16)	264,354	1	299,073	1
2220	Other payables - related parties	7	241	-	12,984	-
2230	Current income tax liabilities	4, 6(28)	-	-	219,909	1
2281	Lease liabilities	4, 6(24)	106,379	1	104,163	1
2321	Corporate bonds due within one year or with put options	4, 6(17)	5,852,422	24	-	-
2322	Current portion of long-term loans	6(18), 8	1,002,478	4	-	-
2399	Other current liabilities	7	17,480	-	5,970	-
21xx	Total current liabilities		<u>10,090,874</u>	<u>41</u>	<u>2,327,737</u>	<u>10</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss	4, 6(15)	-	-	57,000	-
2530	Bonds payable	4, 6(17)	-	-	5,719,513	24
2540	Long-term loans	6(18), 8	2,471,645	10	2,751,723	11
2570	Deferred tax liabilities	4, 6(28)	75,967	1	84,198	-
2581	Lease liabilities	4, 6(24)	279,434	1	385,419	2
2600	Other non-current liabilities	6(19), 7	185,588	1	231,600	1
25xx	Total non-current liabilities		<u>3,012,634</u>	<u>13</u>	<u>9,229,453</u>	<u>38</u>
2xxx	Total liabilities		<u>13,103,508</u>	<u>54</u>	<u>11,557,190</u>	<u>48</u>
31xx	Equity					
3100	Capital	6(21)				
3110	Common stock		2,468,967	10	2,568,967	10
3200	Capital surplus	6(21)	6,279,133	26	6,521,497	27
3300	Retained earnings	6(21)				
3310	Legal reserve		748,381	3	580,744	2
3320	Special reserve		-	-	86,979	-
3350	Unappropriated earnings		1,684,293	7	2,928,349	12
3400	Other components of equity		(69,202)	-	11,407	1
3xxx	Total equity		<u>11,111,572</u>	<u>46</u>	<u>12,697,943</u>	<u>52</u>
	Total liabilities and equity		<u>\$24,215,080</u>	<u>100</u>	<u>\$24,255,133</u>	<u>100</u>

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

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

Century Iron And Steel Industrial Co., Ltd.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

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

Code	Accounts	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(22), 7	\$2,952,821	100	\$5,191,148	100
5000	Operating costs	7	(2,836,602)	(96)	(3,485,654)	(67)
5900	Gross profit		116,219	4	1,705,494	33
5920	Unrealized sales profit		561,902	19	(478,702)	(9)
5950	Gross profit, net		678,121	23	1,226,792	24
6000	Operating expenses					
6100	Sales and marketing		(8,795)	-	(10,932)	-
6200	General and administrative		(178,547)	(6)	(159,406)	(3)
6450	Expected credit gains (losses)	4, 6(23)	(9,230)	(1)	(40,494)	(1)
	Total operating expenses		(196,572)	(7)	(210,832)	(4)
6900	Operating income		481,549	16	1,015,960	20
7000	Non-operating incomes and expenses	6(26), 7				
7100	Interest income		33,043	1	50,865	1
7010	Other incomes		57,215	2	35,116	1
7020	Other gains or losses		12,908	1	73,143	1
7050	Finance costs		(233,676)	(8)	(138,730)	(3)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	4, 6(9)	1,397,739	47	928,353	18
	Total non-operating incomes and expenses		1,267,229	43	948,747	18
7900	Income before income tax		1,748,778	59	1,964,707	38
7950	Income tax expense	4, 6(28)	(99,001)	(3)	(205,542)	(4)
8200	Net income		1,649,777	56	1,759,165	34
8300	Other comprehensive income	6(27)				
8310	Items that will not be reclassified subsequently to profit or loss					
8316	Unrealized gains (losses) on equity instrument investment at fair value through other comprehensive income		(76,080)	(3)	201,675	4
8360	Items that may be reclassified subsequently to profit or loss					
8370	Other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		(5,661)	-	11,410	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		1,132	-	(2,282)	-
	Total other comprehensive income, net of tax		(80,609)	(3)	210,803	4
8500	Total comprehensive income		\$1,569,168	53	\$1,969,968	38
9750	Earnings per share-basic (in NTD)	6(29)	\$6.57		\$6.93	
9850	Earnings per share-diluted (in NTD)	6(29)	\$6.47		\$6.93	

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

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

Century Iron and Steel Industrial Co., Ltd.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital 3100	Bond Conversion Entitlement Certificates 3130	Capital Surplus 3200	Retained Earnings			Others		Treasury shares 3500	Total Equity 3XXX
					Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange Differences Arising on Translation of Foreign Operations 3410	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income 3420		
A1	Balance as of January 1, 2024	\$2,359,661	\$23,810	\$3,904,711	\$475,424	\$134,695	\$2,057,651	\$(128,630)	\$41,652	\$-	\$8,868,974
	Appropriation and distribution of 2023 earnings :										
B1	Legal reserve				105,320		(105,320)				-
B5	Cash dividends - common shares						(748,070)				(748,070)
B17	Reversal of special reserve					(47,716)	47,716				-
C5	Issue stock option of convertible corporate bond			290,581							290,581
D1	Net income for 2024						1,759,165				1,759,165
D3	Other comprehensive income for 2024							9,128	201,675		210,803
D5	Total comprehensive income	-	-	-	-	-	1,759,165	9,128	201,675	-	1,969,968
I1	Conversion of convertible bonds	209,306	(23,810)	2,453,991							2,639,487
M7	Change in ownership interest of subsidiaries			(127,786)			(195,211)				(322,997)
Q1	Proceeds from disposal of equity instruments measured at fair value through other comprehensive income						112,418		(112,418)		-
Z1	Balance as of December 31, 2024	2,568,967	-	6,521,497	580,744	86,979	2,928,349	(119,502)	130,909	-	12,697,943
	Appropriation and distribution of 2024 earnings :										
B1	Legal reserve				167,637		(167,637)				-
B5	Cash dividends - common shares						(1,027,587)				(1,027,587)
B17	Reversal of special reserve					(86,979)	86,979				-
D1	Net income for 2025						1,649,777				1,649,777
D3	Other comprehensive income for 2025							(4,529)	(76,080)		(80,609)
D5	Total comprehensive income	-	-	-	-	-	1,649,777	(4,529)	(76,080)	-	1,569,168
L1	Purchase of treasury shares									(2,013,777)	(2,013,777)
L3	Retirement of treasury share	(100,000)		(242,421)			(1,671,356)			2,013,777	-
M7	Change in ownership interest of subsidiaries			57			(114,232)				(114,175)
Z1	Balance as of December 31, 2025	\$2,468,967	\$-	\$6,279,133	\$748,381	\$-	\$1,684,293	\$(124,031)	\$54,829	\$-	\$11,111,572

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

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

Century Iron And Steel Industrial Co., Ltd.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2025	2024	Code	Items	2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before tax	\$1,748,778	\$1,964,707	B00020	Acquisition of financial assets measured at fair value through OCI	-	124,661
A20000	Adjustments:			B00040	Acquisition of financial assets measured at amortized cost	279,609	560,902
A20010	Profit or loss not effecting cash flows:			B00100	Acquisition of financial assets measured at fair value through profit or loss	-	(12,857)
A20100	Depreciation (including investment property and right-of-use assets)	120,459	119,376	B01800	Acquisition of investment accounted for under equity method	(351,315)	(6,880,579)
A20200	Amortization	975	971	B02300	Disposal of subsidiaries	-	6,628
A20300	Expected credit losses (gain)	9,230	40,494	B02700	Acquisition of property, plant and equipment	(216,094)	(112,942)
A20400	Net (gain) loss on financial assets at fair value through profit or loss	(219)	14,866	B02800	Disposal of property, plant and equipment	9,845	150
A20900	Interest expense	233,676	138,730	B03700	Increase in refundable deposits	(140,326)	(5,327)
A21200	Interest income	(33,043)	(50,865)	B04500	Acquisition of intangible assets	(1,543)	(1,442)
A21300	Dividends income	(6,868)	(7,129)	B06100	Decrease in financing lease payments receivable	97,662	94,453
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(1,397,739)	(928,353)	B07500	Interest received	35,899	52,072
A22500	Gain on disposal of property, plant and equipment	(48,272)	(47,388)	BBBB	Net cash provided by (used in) investing activities	(286,263)	(6,174,281)
A23100	Loss (Gain) on disposal of investments	-	1				
A23900	Unrealized profit from sales	(33,232)	509,011				
A24000	Realized profit from sales	(528,670)	(30,309)				
A29900	Gain recognised in bargain purchase transaction	(18,405)	-				
A30000	Changes in operating assets and liabilities:			CCCC	Cash flows from financing activities:		
A31125	Contract assets	248,396	1,088,909	C00100	Increase in short-term loans	5,618,188	4,198,267
A31130	Notes receivable	25,373	(3,139)	C00200	Repayment of short-term loans	(4,062,584)	(4,936,141)
A31150	Trade receivables	159,288	436,562	C00500	Increase in short-term notes and bills payable	-	1,995,352
A31160	Trade receivables - related parties	639,194	(104,987)	C00600	Decrease in short-term notes and bills payable	-	(2,400,000)
A31180	Other receivables	191	80	C01200	Issuance of corporate bond	-	6,090,241
A31190	Other receivables - related parties	(180,291)	(1,586)	C01300	Repayment of corporate bond	-	(2,800)
A31200	Inventories	225,163	(109,779)	C01600	Increase in long-term loans	4,319,850	4,637,297
A31240	Other current assets	417,777	(333,205)	C01700	Repayments of long-term loans	(3,600,000)	(4,717,014)
A32125	Contract liabilities	8,542	14,501	C03000	Increase in guarantee deposits	9	5
A32130	Notes payable	(44,014)	(29,163)	C04020	Cash payments for the principal portion of the lease liabilities	(112,054)	(102,388)
A32140	Notes payable - related parties	3,729	(2,262)	C04500	Cash dividends	(1,027,587)	(748,070)
A32150	Trade payables	(216,348)	(484,821)	C04900	Payments to acquire treasury shares	(2,013,777)	-
A32160	Trade payables - related parties	(209,231)	(89,860)	CCCC	Net cash provided by (used in) financing activities	(877,955)	4,014,749
A32180	Other payables	(29,424)	(3,557)				
A32190	Other payables - related parties	(12,743)	8,488				
A32230	Other current liabilities	11,510	(844)				
A33000	Cash generated from (used in) operations	1,093,782	2,109,449	EEEE	Increase (decrease) in cash and cash equivalents	96,548	(156,714)
A33200	Dividends received	622,904	254,715	E00100	Cash and cash equivalents at beginning of period	796,366	953,080
A33300	Interest paid	(86,771)	(97,460)	E00200	Cash and cash equivalents at end of period	\$892,914	\$796,366
A33500	Income taxes paid	(369,149)	(263,886)				
AAAA	Net cash provided by (used in) operating activities	1,260,766	2,002,818				

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

Century Iron And Steel Industrial Co., Ltd.

Notes to Parent-Company-Only Financial Statements

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

1. History and organization

Century Iron And Steel Industrial Co., Ltd. (“the Company”) was incorporated in October 1987. The main activities of the Company include (1) processing, manufacturing and trading of steel frame and iron bone, the related installation services, (2) manufacturing and trading of steel structures of buildings and bridges.

The Company’s common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in March 2008. The Company’s registered office and the main business location is at No.1119, Sec.1, Zhongshan Rd., Guanyin District, Taoyuan City.

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

The Parent-Company-Only financial statements for the years ended December 31, 2025 and 2024 were authorized to be issued by the Board of Directors on March 2, 2026.

3. Newly issued or revised standards and interpretations

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

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised, or amended which are recognized by the Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments and interpretations of initial application have no material impact on the Company.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 17 “Insurance Contracts”	January 1, 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(A) 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.

(B) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(C) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(D) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Company.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the date when the Company's financial statements were authorized for issue, 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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- (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.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(C) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(D) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- (1) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- (2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- (3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (B), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The Parent-Company-Only financial statements of the Company for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

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

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

(3) Foreign currency transactions

The Company’s Parent-Company-Only financial statements are presented in New Taiwan Dollars, which is also the Company’s functional currency. Items included in the Parent-Company-Only financial statements are measured using that functional currency.

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(4) Translation of financial statements in foreign 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. The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle.
- B. The Company holds the liability primarily for the purpose of trading.
- C. The liability is due to be settled within twelve months after the reporting period.
- D. The company does not have an unconditional right at the end of the reporting to defer settlement of the liability for at least twelve month after the reporting period.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits 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 Company becomes a party to the contractual provisions of the instrument.

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

A. Financial instruments: Recognition and Measurement

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

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

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

Financial assets measured at amortized cost

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

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - ① Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ② Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease payments receivable arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

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.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(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 Company.

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

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

(9) Inventories

Inventories include steel plate, strip steel plate, shape steel, steel structure material, etc, are valued at lower of cost and net realizable value item by item.

Raw materials - At actual purchase cost, using weighted average method.

Work in progress - Including cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

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 Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the Parent-Company-Only financial statements shall be the same as the profit or loss and other comprehensive income attributable to shareholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the Parent-Company-Only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 "Consolidated Financial

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Notes to Parent-Company-Only Financial Statements (Continued)

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Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

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

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

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

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

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Notes to Parent-Company-Only Financial Statements (Continued)

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

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

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

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

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

(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 Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

Buildings	3~55 years
Machinery and equipment	1~20 years
Leasehold improvements	2 years
Other equipment	1~20 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 asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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

Buildings	38 years
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

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

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

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

Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

Company as a lessor

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

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

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

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(14) 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 of 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 recognized in profit or loss.

The Company's accounting policies for intangible assets are as follows:

	<u>Cost of Computer Software</u>
Useful economic life	Limited
Amortization method	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally

(15) Impairment of non-financial assets

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the 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.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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

(16) Revenue recognition

The Company'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 Company is engaged in the contracting business of construction projects. The customer controls the property as it is constructed in progress and thus, the Company recognizes revenue over time. The Company measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to trade receivables at the point when invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, then the Company recognizes a contract liability for the difference. Certain payment retained by the customer as specified in the contract is intended to ensure that the Company adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfies its performance.

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 Company's estimate of revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances.

Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

Sale of goods

Sales are recognized based on the consideration stated in the contract when control of the goods is transferred to the customer and the goods are delivered to the customers. The credit period of the Company's sale of goods is generally from 30 to 90 days after invoice issued. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables.

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(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) Treasury shares

The Group recognizes treasury stock at acquisition cost and records it as a deduction from equity. The difference from treasury stock transactions is recognized under equity.

(19) Post-employment benefits

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

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

(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, and associates and interests in joint ventures, 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.

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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 ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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.

According to the temporary exception in the International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Parent-Company-Only 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 assests and liabilities within the next financial year are disclosed below :

(1) Trade receivables - estimation of impairment loss

The Company estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

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(2) 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.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash on hand and petty cash	\$2,177	\$702
Checking and savings	890,737	795,664
Total	<u>\$892,914</u>	<u>\$796,366</u>

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

	As of December 31,	
	2025	2024
Mandatorily measured at fair value through profit or loss:		
Unlisted companies stocks	\$19,676	\$12,857
Joint construction share-profit rights	121,638	121,638
Total	<u>\$141,314</u>	<u>\$134,495</u>
Current	\$19,676	\$12,857
Non-current	121,638	121,638
Total	<u>\$141,314</u>	<u>\$134,495</u>

(a) The Company sign a joint construction share-profit rights contract with Tengtai Construction Co., Ltd. (referred as Tengtai company). The main proposed investment agreements are as follows:

- A. Investment amount: The estimated investment amount for this real estate is NT\$600,000 thousand. The Company invested 20% of total amount, and used the Company's land (original book value of NT\$66,448 thousand) and cash consideration of NT\$55,190 thousand as 20% of the capital contribution.
- B. When the Company and Tengtai Company completed the agreement, Tengtai Company would issue a promissory note of equal amount to the Company's investment as a proof and guarantee for the Company's investment funds.
- C. The development project is led by Tengtai Company in land development, construction and other businesses. The Company shall not interfere with the development project for any reason or method.
- D. The Company and Tengtai Company agreed to regard the total income and total cost of the whole case as the basis for distribution, and recognize the relevant income and costs according to the investment ratio. The Company will then request money from Tengtai Company according to the investment ratio.

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E. As of December 31, 2025, the development has obtained a building license.

(b) No financial assets measured at fair value through profit or loss were pledged as collateral.

(3) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2025	2024
Equity instrument investments measured at fair value through other comprehensive income -		
Non-current:		
Emerging companies stocks	\$51,777	\$51,777
Unlisted companies stocks	137,500	137,500
Subtotal	189,277	189,277
Valuation adjustment	54,829	130,909
Total	<u>\$244,106</u>	<u>\$320,186</u>

(a) The Company dividend income related to equity instrument investments measured at fair value through other comprehensive income for the year ended December 31, 2025 and 2024 were NT\$6,868 and NT\$7,129 thousand.

(b) No financial assets measured at fair value through other comprehensive income were pledged as collateral.

(4) Financial assets measured at amortized cost

	As of December 31,	
	2025	2024
Restricted deposits	<u>\$91,835</u>	<u>\$371,444</u>
Current	<u>\$5</u>	<u>\$5</u>
Non-current	<u>\$91,830</u>	<u>\$371,439</u>

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Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivables

	As of December 31,	
	2025	2024
Notes receivables arising from operating activities	\$9,406	\$34,779
Less: loss allowance	-	-
Total	\$9,406	\$34,779

Notes receivables were not pledged as collateral.

The Company has adopted IFRS 9 for impairment assessment. Please refer to Note 6 (23) for more details on loss allowance. Please refer to Note 12 for more details on credit risk.

(6) Trade receivables and trade receivables - related party

(a) Trade receivables and trade receivables - related party

	As of December 31,	
	2025	2024
Trade receivables	\$248,916	\$408,204
Less: loss allowance	(108,591)	(104,578)
Subtotal	140,325	303,626
Trade receivables - related party	406,252	1,045,446
Less: loss allowance	-	-
Subtotal	406,252	1,045,446
Total	\$546,577	\$1,349,072

(b) Trade receivables were not pledged.

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(c) Trade receivables are generally on 30-90 day terms after invoice issued. And the Company collects receivables from construction and rendering of services based on the completion status of contracts. The total carrying amount were NT\$655,168 thousand and NT\$1,453,650 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6 (23) for more details on loss allowance of trade receivables for the years ended December 31, 2025 and 2024, respectively. Please refer to Note 12 for more details on credit risk.

(7) Financing lease payments receivable

	As of December 31,			
	2025		2024	
	Net investment in leases	Present value of receivables on minimum lease payments	Net investment in leases	Present value of receivables on minimum lease payments
Less than one year	\$108,657	\$100,965	\$107,758	\$97,662
More than one year but less than five years	280,699	272,396	389,356	373,361
More than five years	-	-	-	-
Total non-discounted lease payments	389,356	\$373,361	497,114	\$471,023
Less: Unearned finance income	(15,995)		(26,091)	
Gross investment in the lease (Financing lease payments receivable)	\$373,361		\$471,023	
Current	\$100,965		\$97,612	
Non-current	272,396		373,411	
Total	\$373,361		\$471,023	

A. Financing lease payments receivable were not pledged.

B. The Company signed a re-leasing contract for part of the lease-back plant (previously recognized as right-of-use asset). The lease period is 9 to 10 years. Due to the transfer of all the risks and rewards of leased assets, it is classified as a financial lease. The aforementioned financial lease is caused by the sale and lease back transaction and re-lease.

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Notes to Parent-Company-Only Financial Statements (Continued)

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

C. As of December 31, 2025 and 2024, the financial lease receivables are neither overdue nor impaired. Please refer to Note 6(23) for information on loss allowances and for information on credit risk, please refer to Note 12.

(8) Inventories

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

	As of December 31,	
	2025	2024
Steel plate	\$546,565	\$457,358
Shape steel	507,132	665,016
Attach steel plate	5,041	6,503
Supplies	23,082	25,518
Steel coil	1,498	1,912
Work in progress	58,666	210,840
Total	<u>\$1,141,984</u>	<u>\$1,367,147</u>

B. The restated cost of inventories recognized in expenses amounts to NT\$2,836,602 thousand and NT\$3,485,654 thousand for the years ended December 31, 2025 and 2024, including the sale of scrap income of inventories of NT\$27,962 thousand and NT\$4,167 thousand, respectively.

C. No inventories were pledged.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(9) Investments accounted for under the equity method

Investees	As of December 31,			
	2025		2024	
	Amount	%	Amount	%
Investments in subsidiaries:				
Century International Construction Limited	\$136,068	66.19%	\$154,160	66.19%
Century Wind Power Co., Ltd. (Note and Note 1)	11,022,624	59.12%	9,875,589	59.12%
Century Huaxin Wind Energy Co., Ltd. (Note 2 and Note 3)	2,315,806	46.45%	2,221,280	46.45%
Century Heavy Industry International Co., Ltd. (Note 4)	311,910	54.26%	257,205	54.26%
Century Transportation Co., Ltd. (Note 5)	-	-%	25,131	100.00%
PT. CENTURY INDONESIA WIND ENERGY (Note 6)	316,170	99.93%	Non-applicable	Non-applicable
Investments in associates:				
Chinese Myanmar Investment Co., Ltd.	5,310	29.00%	5,316	29.00%
Total	<u>\$14,107,888</u>		<u>\$12,538,861</u>	

Note : The Company participated in capital increase of Century Wind Power Co., Ltd. by cash at a price of NT\$5,356,593 thousand in December 2024, and the ownership interest of 59.05%.

Note 1 : The Company participated in capital increase of Century Wind Power Co., Ltd. by cash at a price of NT\$32,312 thousand from in December 2024, and the ownership interest of 59.12%.

Note 2 : The Company participated in capital increase of Century Huaxin Wind Energy Co., Ltd. by cash at a price of NT\$1,271,819 thousand in May 2024, and the ownership interest of 45.93%.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Note 3 : The Company participated in capital increase of Century Huaxin Wind Energy Co., Ltd. by cash at a price of NT\$111,596 thousand from October to December 2024, and the ownership interest of 46.45%.

Note4: The Company participated in capital increase of Century Heavy Industry International Co., Ltd. by cash at a price of NT\$108,259 thousand in April 2024, and the ownership interest of 54.26%.

Note 5: As of December 31, 2025, Century Transportation Co., Ltd. has completed dissolution procedures and is pending approval from the National Taxation Bureau.

Note 6: The Company acquired PT. CENTURY INDONESIA WIND ENERGY (formerly PT NIPPON STEEL BATAM OFFSHORE SERVICE) on September 2, 2025 for US\$11,392 thousand (NT\$349,450 thousand), with a shareholding ratio of 99.93%.

(a) Investments in subsidiaries expressed as "investment accounted for under the equity method" in Parent-Company-Only financial reports, and make necessary evaluation adjustments.

(b) Investments in associates

Information about affiliated companies that are not material to the Company is as follows:

A. The Company invested in Chinese Myanmar Investment Co., Ltd. for its 29% of ownership interest in 2017. The investment has been accounted for as an investment in associates under equity method because the Company had significant influence accordingly.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- B. The Company's investments in associates are not material. The aggregate carrying amounts of the Company's interests in associates were NT\$5,310 thousand and NT\$5,316 thousand as of December 31, 2025 and 2024, respectively. The aggregate financial information of the Company's investments in associates is as follows:

	For the years ended December 31,	
	2025	2024
Profit from continuing operations	\$(6)	\$(6)
Other comprehensive income (after-tax)	-	-
Total comprehensive income	\$(6)	\$(6)

- C. The Company's investment accounted for under equity method and the Company's share of profit and other comprehensive income for Chinese Myanma Investment Co., Ltd. was based on unaudited financial statements. The Company's managements consider that there is not significant impact on the Parent-Company-Only financial statements.
- D. The associates had no contingent liabilities or capital commitments and were not pledged as collateral as of December 31, 2025 and 2024, respectively.

(10)Property, plant and equipment

	As of December 31,	
	2025	2024
Owner occupied property, plant and equipment	\$4,315,052	\$4,357,279

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

A. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Other Equipment	Leasehold improvements	Construction in progress and equipment awaiting examination	Total
Cost:							
As of Jan. 1, 2025	\$2,374,186	\$1,382,719	\$1,160,203	\$114,594	\$7,414	\$165,261	\$5,204,377
Additions	-	17,168	18,904	1,649	-	41,523	79,244
Disposals	(356)	(2,465)	(19,394)	(5,313)	-	-	(27,528)
As of Dec. 31, 2025	<u>\$2,373,830</u>	<u>\$1,397,422</u>	<u>\$1,159,713</u>	<u>\$110,930</u>	<u>\$7,414</u>	<u>\$206,784</u>	<u>\$5,256,093</u>
Depreciation and impairment:							
As of Jan. 1, 2025	\$-	\$256,081	\$510,437	\$73,166	\$7,414	\$-	\$847,098
Depreciation	-	29,717	74,233	9,033	-	-	112,983
Disposals	-	(2,465)	(12,088)	(4,487)	-	-	(19,040)
As of Dec. 31, 2025	<u>\$-</u>	<u>\$283,333</u>	<u>\$572,582</u>	<u>\$77,712</u>	<u>\$7,414</u>	<u>\$-</u>	<u>\$941,041</u>
Cost:							
As of Jan. 1, 2024	\$2,198,330	\$1,054,511	\$1,117,068	\$110,736	\$7,414	\$410,266	\$4,898,325
Additions	175,856	330,765	51,732	4,893	-	(245,005)	318,241
Disposals	-	(2,557)	(8,597)	(1,035)	-	-	(12,189)
As of Dec. 31, 2024	<u>\$2,374,186</u>	<u>\$1,382,719</u>	<u>\$1,160,203</u>	<u>\$114,594</u>	<u>\$7,414</u>	<u>\$165,261</u>	<u>\$5,204,377</u>
Depreciation and impairment:							
As of Jan. 1, 2024	\$-	\$232,656	\$443,585	\$63,483	\$7,414	\$-	\$747,138
Depreciation	-	25,982	75,392	10,718	-	-	112,092
Disposals	-	(2,557)	(8,540)	(1,035)	-	-	(12,132)
As of Dec. 31, 2024	<u>-</u>	<u>\$256,081</u>	<u>\$510,437</u>	<u>\$73,166</u>	<u>\$7,414</u>	<u>\$-</u>	<u>\$847,098</u>
Net carrying amount :							
As of Dec. 31, 2025	<u>\$2,373,830</u>	<u>\$1,114,089</u>	<u>\$587,131</u>	<u>\$33,218</u>	<u>\$-</u>	<u>\$206,784</u>	<u>\$4,315,052</u>
As of Dec. 31, 2024	<u>\$2,374,186</u>	<u>\$1,126,638</u>	<u>\$649,766</u>	<u>\$41,428</u>	<u>\$-</u>	<u>\$165,261</u>	<u>\$4,357,279</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

B. The Company purchased various pieces of land located in the Guanxing, Baishatun, Jinhua, and Puding Sections of Guanyin District and Nangang Section, Dayuan District, Taoyuan City to expand the factory and inventory storage. Change registration has not yet been processed as the land was categorized as agricultural land and has been registered under the names of Lai Wen-Xiang and Chen Xing-Xue. The Company has signed a name-lending registration contract with Lai Wen-Xiang and Chen Xing-Xue, which was recorded under Property, plant and equipment.

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

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

(11) Investment property

The Company's investment properties include owned investment properties. The Company has entered into commercial property leases on its owned investment properties with terms of 3 years.

	Land	Buildings	Total
Cost:			
As of January 1, 2025	\$68,974	\$40,071	\$109,045
Additions from acquisitions	-	-	-
Disposals	-	-	-
As of December 31, 2025	<u>\$68,974</u>	<u>\$40,071</u>	<u>\$109,045</u>
As of January 1, 2024	\$68,974	\$40,071	\$109,045
Additions from acquisitions	-	-	-
Disposals	-	-	-
As of December 31, 2024	<u>\$68,974</u>	<u>\$40,071</u>	<u>\$109,045</u>
Depreciation and impairment:			
As of January 1, 2025	\$17,849	\$30,259	\$48,108
Depreciation	-	1,080	1,080
As of December 31, 2025	<u>\$17,849</u>	<u>\$31,339</u>	<u>\$49,188</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
As of January 1, 2024	\$17,849	\$30,259	\$48,108
Depreciation	-	1,080	1,080
As of December 31, 2024	<u>\$17,849</u>	<u>\$31,339</u>	<u>\$49,188</u>
Net carrying amount as of:			
December 31, 2025	<u>\$51,125</u>	<u>\$7,652</u>	<u>\$58,777</u>
December 31, 2024	<u>\$51,125</u>	<u>\$8,732</u>	<u>\$59,857</u>

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	\$1,479	\$1,479
Less: Direct operating expenses from investment property generating rental income	(1,080)	(1,080)
Total	<u>\$399</u>	<u>\$399</u>

A. The fair value of investment properties held by the Company is NT\$242,831 thousand as of December 31, 2025, which has been assessed based on valuations performed by independent appraisers, whose report dated on December 31, 2025. The assessments were made based on market evidence on transaction price of similar property.

The fair value of investment properties held by the Company is NT\$237,420 thousand as of December 31, 2024, which has been assessed based on valuations performed by independent appraisers, whose report dated on December 31, 2024. The assessments were made based on market evidence on transaction price of similar property.

B. The company has no investment property under pledged.

(12) Intangible assets

	<u>Computer software</u>
Cost:	
As of Jan. 1, 2025	\$1,442
Additions – acquired separately	1,543
Derecognized upon retirement	(440)
As of Dec. 31, 2025	<u>\$2,545</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	<u>Computer software</u>
As of Jan. 1, 2024	\$121
Additions – acquired separately	1,442
Derecognized upon retirement	(121)
As of Dec. 31, 2024	<u>\$1,442</u>

Amortization and impairment:

As of Jan. 1, 2025	\$954
Amortization	975
Derecognized upon retirement	(440)
As of Dec. 31, 2025	<u>\$1,489</u>

As of January 1, 2024	\$104
Amortization	971
Derecognized upon retirement	(121)
As of Dec. 31, 2024	<u>\$954</u>

Net carrying amount

As of Dec. 31, 2025	<u>\$1,056</u>
As of Dec. 31, 2024	<u>\$488</u>

Intangible assets recognition of amortization:

	<u>For the years ended Decemeber 31,</u>	
	<u>2025</u>	<u>2024</u>
Production overheads	<u>\$975</u>	<u>\$971</u>

(13) Other non-current assets

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Refundable deposits	\$180,862	\$40,536
Prepayments in equipments	110,894	3,500
Prepayments in land	24,833	3,833
Total	<u>\$316,589</u>	<u>\$47,869</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(14) Short-term loans

	Interest Rate (%)	As of December 31,	
		2025	2024
Unsecured bank loans	1.850%~1.950%	\$2,140,442	\$584,838

A. As of December 31, 2025 and 2024, the lines of unused short-term loans credit for the Company amounted to NT\$6,133,464 thousand and NT\$3,426,213 thousand, respectively.

B. Please refer to Note 8 for more details on assets under pledge for short-terms loans.

(15) Financial liabilities at fair value through profit or loss

	As of December 31,	
	2025	2024
Mandatorily measured at fair value through profit or loss:		
Embedded derivative financial instruments	\$63,600	\$57,000
Current	\$63,600	\$-
Non-current	-	57,000
Total	\$63,600	\$57,000

(16) Other payables

	As of December 31,	
	2025	2024
Accrued payable	\$153,705	\$192,567
Accrued interest	7,423	4,262
Accrued compensation to employees and directors	97,715	88,277
Payable on equipment	5,511	13,967
Total	\$264,354	\$299,073

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(17) Bonds payable

A. Details of bonds payable:

	As of December 31,	
	2025	2024
Liability component:		
Principal amount	\$6,096,400	\$6,096,400
Less: Discounts on bonds payable	(243,978)	(376,887)
Subtotal	5,852,422	5,719,513
Less: current portion	(5,852,422)	-
Non - current portion	\$-	\$5,719,513
	<u>\$63,600</u>	<u>\$57,000</u>
Embedded derivative - Redemption		
Equity component - Convertible rights	<u>\$290,581</u>	<u>\$290,581</u>

For the details of the gain or loss from valuation through profit or loss on embedded derivative - redemption and put options and the interest expense on the convertible bonds payable, please refer to Note 6 (26).

B. On July 19, 2023, the Company issued fifth secured convertible bonds. The terms of the bonds are as follows:

- (a) Issue amount: NT\$1,500,000 thousand
- (b) Issue date: July 19, 2023
- (c) Issue price: Issue at par value
- (d) Coupon rate: 0%
- (e) Period: From July 19, 2023 to July 19, 2026
- (f) Secured or unsecured: Unsecured bonds

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(g) Conversion period: The bonds are convertible at any time on or after October 20, 2023 and prior to July 19, 2026 into common shares of the Company except closed period or suspension period.

(h) Conversion price and adjustment: The conversion price was originally at NT\$146.5 per share. The conversion price will be subject to adjustments upon the occurrence of certain set out in the indenture.

Because the cash dividends – common stock, distributed in 2023. The conversion price was adjusted to NT \$146 since September 6, 2023.

(i) Redemption clauses: a. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 130% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

b. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announce to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

c. Bondholders doesn't respond to the Company's agency with formal written documents prior to the redemption date in notification letter. The Company will redeem at the par value of convertible bonds and pay in cash.

d. If the Company exercises its early redemption clause for the convertible corporate bonds, the bondholders' deadline to request conversion shall be the second business day following the termination of the over-the-counter trading date. However, bondholders must complete the application procedures with their respective securities dealers at least one business day before the deadline date.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (j) Put option of the holder The bondholders could execute put option after two years from issuance date (July 19, 2025). The Company should send through registered mail the “Notification of bondholder’s put option” 30 days before the put option base date (June 19, 2025). Taipei-Exchange should be notified by the Company and should announce the bondholder’s put option; a written notification should be sent to the share transfer agent by bondholders 30 days before the put option base date (June 19, 2025). The put value is 101.0025% of the par value (the year yield is 0.5%). After accepting the put request, the Company should redeem the bonds by cash within 5 business days after the put option base date.

The Company, in accordance with the fifth domestic unsecured convertible bond issuance and conversion method, exercised its bond redemption right from March 21, 2024 to April 19, 2024. The redemption price is 100.00% of the bond par value, and it is scheduled to terminate over-the-counter trading on April 22, 2024. For related information, please visit the 'Market Observation Post System' website of the Taiwan Stock Exchange.

C. On July 31, 2023, the Company issued sixth secured convertible bonds. The terms of the bonds are as follows:

- (a) Issue amount: NT\$1,500,000 thousand
- (b) Issue date: July 31, 2023
- (c) Issue price: NT\$107.77
- (d) Coupon rate: 0%
- (e) Period: From July 31, 2023 to July 31, 2026
- (f) Secured or unsecured: Unsecured bonds

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (g) Conversion period: The bonds are convertible at any time on or after November 1, 2023 and prior to July 31, 2026 into common shares of the Company except closed period or suspension period.
- (h) Conversion price and adjustment: The conversion price was originally at NT\$141 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- Because the cash dividends-common stock, distributed in 2023. The conversion price was adjusted to NT\$140.5 since September 6, 2023.
- (i) Redemption clauses: a. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 130% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

b. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announce to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

c. Bondholders doesn't respond to the Company's agency with formal written documents prior to the redemption date in notification letter. The Company will redeem at the par value of convertible bonds and pay in cash.

d. If the Company exercises its early redemption clause for the convertible corporate bonds, the bondholders' deadline to request conversion shall be the second business day following the termination of the over-the-counter trading date. However, bondholders must complete the application procedures with their respective securities dealers at least one business day before the deadline date.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (j) Put option of the holder The bondholders could execute put option after two years from issuance date (July 31, 2025). The Company should send through registered mail the “Notification of bondholder’s put option” 30 days before the put option base date (July 1, 2025). Taipei Exchange should be notified by the Company and should announce the bondholder’s put option; a written notification should be sent to the share transfer agent by bondholders 30 days before the put option base date (July 1, 2025). The put value is 101.0025% of the par value (the year yield is 0.5%). After accepting the put request, the Company should redeem the bonds by cash within 5 business days after the put option base date.

The Company, in accordance with the sixth domestic unsecured convertible bond issuance and conversion method, exercised its bond redemption right from March 14, 2024 to April 12, 2024. The redemption price is 100.00% of the bond par value, and it is scheduled to terminate over-the-counter trading on April 15, 2024. For related information, please visit the 'Market Observation Post System' website of the Taiwan Stock Exchange.

D. On Oct 28, 2024, the Company issued seventh secured convertible bonds. The terms of the bonds are as follows:

- (a) Issue amount: NT\$4,000,000 thousand
- (b) Issue date: Oct 28, 2024
- (c) Issue price: Issued at face value
- (d) Coupon rate: 0%
- (e) Period: From Oct 28, 2024 to Oct 28, 2027
- (f) Secured or unsecured: Unsecured bonds

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(g)Conversion period: The bonds are convertible at any time on or after January 29, 2025 and prior to October 28, 2027 into common shares of the Company except closed period or suspension period.

(h)Conversion price and adjustment: The conversion price was originally at NT\$247 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

The Company adjusted the conversion price in 2025 due to the distribution of cash dividends on common shares, in accordance with the Company's 7th domestic unsecured convertible bonds issuance and conversion rules. Therefore, the conversion price was adjusted from NT\$247 to NT\$241.7 on August 16, 2025.

(i)Redemption clauses: a.The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 130% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

b. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announce to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

- (j) Put option of the holder The bondholders could execute put option after two years from issuance date (Oct 28, 2026). The Company should send through registered mail the “Notification of bondholder’s put option” 30 days before the put option base date (Sep 28, 2026). Taipei Exchange should be notified by the Company and should announce the bondholder’s put option; a written notification should be sent to the share transfer agent by bondholders 30 days before the put option base date (Sep 28, 2026). The put value is 100.50% of the par value (the year yield is 0.25%). After accepting the put request, the Company should redeem the bonds by cash within 5 business days after the put option base date.

E. On Nov 8, 2024, the Company issued eighth secured convertible bonds. The terms of the bonds are as follows:

- (a) Issue amount: NT\$2,000,000 thousand
- (b) Issue date: Nov 8, 2024
- (c) Issue price: NT\$104.82

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (d) Coupon rate: 0%
- (e) Period: From Nov 8, 2024 to Nov 8, 2027
- (f) Secured or unsecured: Unsecured bonds
- (g) Conversion period: The bonds are convertible at any time on or after February 9, 2025 and prior to November 8, 2027 into common shares of the Company except closed period or suspension period.
- (h) Conversion price and adjustment: The conversion price was originally at NT\$238 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture .

The Company adjusted the conversion price in 2025 due to the distribution of cash dividends on common shares, in accordance with the Company's 8th domestic unsecured convertible bonds issuance and conversion rules. Therefore, the conversion price was adjusted from NT\$238 to NT\$232.7 on August 16, 2025.

- (i) Redemption clauses: a. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 130% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

b. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announce to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange.

c. Bondholders doesn't respond to the Company's agency with formal written documents prior to the redemption date in notification letter. The Company will redeem at the par value of convertible bonds and pay in cash.

d. If the Company exercises its early redemption clause for the convertible corporate bonds, the bondholders' deadline to request conversion shall be the second business day following the termination of the over-the-counter trading date. However, bondholders must complete the application procedures with their respective securities dealers at least one business day before the deadline date.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- (j) Put option of the holder The bondholders could execute put option after two years from issuance date (Nov 8, 2026). The Company should send through registered mail the “Notification of bondholder’s put option” 30 days before the put option base date (Oct 9, 2026). Taipei Exchange should be notified by the Company and should announce the bondholder’s put option; a written notification should be sent to the share transfer agent by bondholders 30 days before the put option base date (Oct 9, 2026). The put value is 100.50% of the par value (the year yield is 0.25%). After accepting the put request, the Company should redeem the bonds by cash within 5 business days after the put option base date.

The 5th unsecured convertible bonds in the amount of NT\$1,492,900 thousand have been converted to 10,225 thousand common shares as of December 31, 2024. The surplus due to the conversion amounted to NT\$1,338,651 thousand, recorded under additional paid-in capital.

The 5th unsecured convertible bonds in the amount of NT\$1,492,900 thousand have been converted to 10,225 thousand common shares as of December 31, 2025. The surplus due to the conversion amounted to NT\$1,338,651 thousand, recorded under additional paid-in capital.

The 6th unsecured convertible bonds in the amount of NT\$1,260,478 thousand have been converted to 8,324 thousand common shares as of December 31, 2024. The surplus due to the conversion amounted to NT\$1,115,337 thousand, recorded under additional paid-in capital.

The 6th unsecured convertible bonds in the amount of NT\$1,260,478 thousand have been converted to 8,324 thousand common shares as of December 31, 2025. The surplus due to the conversion amounted to NT\$1,115,337 thousand, recorded under additional paid-in capital.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(18) Long-term loans

Details of long-term loans as of December 31, 2025 and 2024 are as follows:

Lenders	Dec. 31, 2025	Repayment
Secured syndicated loans from Taiwan Business Bank and others	\$860,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from November 2023, with principal repaid upon maturity in a lump sum in November 2028. The annual interest rate is 2.33%.
Secured syndicated loans from Taiwan Business Bank and others	1,440,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from November 2023, with principal repaid in a lump sum upon maturity in November 2028. The annual interest rate is 2.33%.
Land-secured loan from Taiwan Business Bank	391,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from December 2023, with principal repaid in one lump sum upon maturity in December 2026. The annual interest rate is 1.95%.
Secured loans from Chang Hwa Commercial Bank	570,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from May 2023, with principal repaid in one lump sum upon maturity in May 2026. The annual interest rate is 1.95%.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Lenders	Dec. 31, 2025	Repayment
Credit loans from HSBC Bank	220,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from November 2023, with principal repaid upon maturity in a lump sum in November 2028. The annual interest rate is 2.33%.
Total	3,481,000	
Less: current portion	(1,002,478)	
Arrangement fee	(6,877)	
Non-current portion	\$2,471,645	
Lenders	Dec. 31, 2024	Repayment
Secured syndicated loans from Taiwan Business Bank and others	\$400,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from November 2023, with principal repaid upon maturity in a lump sum in November 2028. The annual interest rate is 2.33%.
Secured syndicated loans from Taiwan Business Bank and others	1,400,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from November 2023, with principal repaid in a lump sum upon maturity in November 2028. The annual interest rate is 2.33%.
Secured loans from Taiwan Business Bank	391,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from December 2023, with principal repaid in one lump sum upon maturity in December 2026. The annual interest rate is 1.95%.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Lenders	Dec. 31, 2024	Repayment
Credit loans from The Shanghai Commercial & Savings Bank, Ltd.	570,000	Secured bank loans guaranteed by land and buildings. Interest will be paid monthly starting from May 2023, with principal repaid in one lump sum upon maturity in May 2026. The annual interest rate is 1.95%.
Total	2,761,000	
Less: current portion	-	
Arrangement fee	(9,277)	
Non-current portion	<u>\$2,751,723</u>	

A. In order to repay the borrowings of existing financial institutions, enrich the working capital and operating turnover funds, and support for bidding and contracting project. The Company entered into an agreement of syndicated loans in amount NT\$6,000,000 thousand with six banks on December 25, 2023. The loan contracts include two kinds of credit line. The first credit line is NT\$1,200,000 thousand; The second credit line is NT\$4,800,000 thousand.

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

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

(19) Other non-current liabilities

	As of December 31,	
	2025	2024
Guarantee deposits	\$18,452	\$18,443
Long-term deferred revenue	167,136	213,157
Total	<u>\$185,588</u>	<u>\$231,600</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The long-term deferred revenue is caused by the sale and lease back of assets, and the revenue will be recognized in the subsequent period. Revenue for the years ended December 31, 2025 and 2024 were NT\$46,021 thousand.

(20) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company 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, 2025 and 2024 were NT\$8,086 thousand and NT\$9,142 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the years ended December 31, 2025 and 2024 were NT\$14 thousand and NT\$13 thousand, respectively.

(21) Equity

A. Common stock

As of December 31, 2025 and 2024, the Company's authorized capital were both NT\$5,000,000 thousand, the Company's paid-in capital were NT\$2,468,967 thousand and NT\$2,568,967 thousand, respectively, each share at par value of NT\$10, divided into 246,897 thousand shares and 256,897 thousand shares, respectively. Each share represents a voting right and a right to receive dividends. Each share has one voting right and a right to receive dividends.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The Company resolved at the board meeting on August 11, 2025 to cancel treasury stock, and set August 11, 2025 as the base date for the treasury stock capital reduction. A total of 10,000 thousand shares were canceled at par value, reducing the capital stock by NT\$100,000 thousand, and offsetting capital surplus in the amount of NT\$242,421 thousand and undistributed earnings in the amount of NT\$1,671,356 thousand. The registration change procedure was completed on September 22, 2025.

As of December 31, 2024, the holders of the Company's convertible bonds converted into common stock capital of the company amounting to NT\$2,753,378 thousand. and applied for the exchange of 20,931 thousand common shares.

B. Additional paid-in capital

	As of December 31,	
	2025	2024
Additional paid-in capital	\$5,985,283	\$6,227,704
Changes in ownership interests in subsidiaries	57	-
Stock option - convertible rights	290,581	290,581
Expired stock options	3,212	3,212
Total	\$6,279,133	\$6,521,497

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.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

C. Treasury stock

The Company had no changes in treasury stock during 2024. The changes in treasury stock for 2025 are as follows:

<u>Reason for Repurchase</u>	<u>Beginning Shares</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Shares</u>
Safeguarding the company's credit and shareholds' interest	- thousand shares	10,000 thousand shares	(10,000) thousand shares	- thousand shares

Pursuant to the Securities and Exchange Act, a company is prohibited from repurchasing more than 10% of the outstanding shares it has issued. In addition, the aggregate expenditure for acquiring these shares shall not surpass the combination of the realized capital surplus, the premium on issued shares, and the retained earnings.

According to the Securities and Exchange Act, the Company's treasury stock may not be pledged, nor is it entitled to the distribution of dividends and voting rights, etc.

D. 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.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The Company distributes the total or a part of dividends and bonus by resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

(b) Dividend policies

The Company's dividend policy aims for steadiness and balancing. Dividends to be distributed in cash for each year shall not be less than 30% of the total dividends paid.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal 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

According to existing regulations, when the Company distributes distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, 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 in the first-time adoption of the 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.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

- (e) The appropriations of earnings for 2025 and 2024 were approved through the Board of Directors and shareholders' meetings held on March 2, 2026 and May 26, 2025, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT\$)	
	2025	2024	2025	2024
Legal reserve	\$-	\$167,637		
Special reserve	69,202	(86,979)		
Cash dividends(Note)	1,111,035	1,027,587	\$4.50	\$4.00
Total	<u>\$1,180,237</u>	<u>\$1,108,245</u>		

Note: The board of directors of the Company, authorized by the articles of association, has passed a special resolution on the cash dividends scheme for the ordinary shares for the year ended December 31, 2025, in their meeting on March 2, 2026.

Please refer to Note 6(25) for details on employees' compensation and remuneration to directors.

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Notes to Parent-Company-Only Financial Statements (Continued)

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

(22) Operating revenue

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue from contracts with customer		
Construction revenue	\$1,296,003	\$2,731,006
Sale of goods and others	1,656,818	2,460,142
Total	<u>\$2,952,821</u>	<u>\$5,191,148</u>

A. Disaggregation of revenue

For the year ended December 31, 2025

	<u>Single Segment</u>
Construction revenue	\$1,296,003
Sale of goods and others	1,656,818
Total	<u>\$2,952,821</u>

The timing for revenue recognition:

At a point of time	\$1,656,818
Over time	1,296,003
Total	<u>\$2,952,821</u>

For the year ended December 31, 2024

	<u>Single Segment</u>
Construction revenue	\$2,731,006
Sale of goods and others	2,460,142
Total	<u>\$5,191,148</u>

The timing for revenue recognition:

At a point of time	\$2,460,142
Over time	2,731,006
Total	<u>\$5,191,148</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

B. Contract balances

(a) Contract assets

	As of		
	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
Process of construction and project retention of construction	\$1,334,458	\$1,586,225	\$2,677,415
Current	\$1,334,458	\$1,586,225	\$2,677,415
Non-current	-	-	-
Total	\$1,334,458	\$1,586,225	\$2,677,415

(1)The Company's 2025 and 2024 contract asset balance decreased as the Company had yet to obtain an unconditional right to receive the consideration at the balance sheet date. Please refer to Note 6(23) for more details on the impairment assessment.

(2)The contract assets include the amount of engineering retention receivable from the construction contract. Project retention is interest-free and will be recovered at the end of the retention period of individual construction contracts. The retention period is the normal operating cycle of the Company, which usually exceeds one year.

(b) Contract liabilities

	As of		
	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
Process of construction	\$85,806	\$77,264	\$62,763
Current	\$85,806	\$77,264	\$62,763
Non-current	-	-	-
Total	\$85,806	\$77,264	\$62,763

Contract liabilities have increased during 2025 and 2024 as the Company's most performance obligations have not met successively for receiving advance receipts from customers.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(23) Expected credit losses (gains)

	For the years ended December 31,	
	2025	2024
Operating expenses - Expected credit losses (gains)		
Contract assets	\$3,371	\$2,281
Trade receivables	4,013	28,409
Payment on behalf of others	1,846	9,804
Total	\$9,230	\$40,494

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

The Company measures the loss allowance of its contract assets, payment on behalf of others (recorded in other current assets) and accounts receivables (including notes receivables, trade receivables and financing lease payments receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2025 and 2024, respectively, are as follows:

A. The gross carrying amount of contract assets are NT\$1,395,572 thousand and NT\$1,643,968 thousand as of December 31, 2025 and 2024, respectively, its loss allowance amounting to NT\$61,114 thousand and NT\$57,743 thousand which are measured at expected credit loss ratio.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

B. The Company considers the payment on behalf of others by counterparties' credit rating, geographical region and industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

2025.12.31

	Not due	Indication of default	Total
Gross carrying amount	\$26,627	\$26,814	\$53,441
Loss ratio	-%	100%	
Lifetime expected credit losses	-	(26,814)	(26,814)
Carrying amount of payment on behalf of others	\$26,627	\$-	\$26,627

2024.12.31

	Not due	Indication of default	Total
Gross carrying amount	\$27,772	\$24,968	\$52,740
Loss ratio	-%	100%	
Lifetime expected credit losses	-	(24,968)	(24,968)
Carrying amount of payment on behalf of others	\$27,772	\$-	\$27,772

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

C. The Company considers the grouping of accounts receivables (including notes receivables, trade receivables and financing lease payments receivable) by counterparties' credit rating, by geographical region and industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

2025.12.31

	Not due(Note)	Overdue <=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	\$931,221	\$1,308	\$-	\$938	\$104,468	\$1,037,935
Loss ratio	0.3772%	36.54%	-%	14.09%	100%	
Lifetime expected credit losses	(3,513)	(478)	-	(132)	(104,468)	(108,591)
Carrying amount of accounts receivables	\$927,708	\$830	\$-	\$806	\$-	\$929,344

2024.12.31

	Not due(Note)	<=6 months	6-12 months	12-36 months	>=36 months	Total
Gross carrying amount	\$1,854,046	\$-	\$-	\$938	\$104,468	\$1,959,452
Loss ratio	-%	-%	-%	11.73%	100%	
Lifetime expected credit losses	-	-	-	(110)	(104,468)	(104,578)
Carrying amount of accounts receivables	\$1,854,046	\$-	\$-	\$828	\$-	\$1,854,874

Note : The Company's notes receivables and financing lease payments receivable are not overdue.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The movement schedule of the impairment provision against contract assets, accounts receivables and payment on behalf of others (recorded in other current assets) for the year ended December 31, 2025 and 2024 are as follows:

	<u>Contract assets</u>	<u>Trade receivables</u>	<u>Payment on behalf of others</u>
As of Jan. 1, 2025	\$57,743	\$104,578	\$24,968
Addition/(reversal) for the current period	3,371	4,013	1,846
Write off	-	-	-
As of Dec. 31, 2025	<u>\$61,114</u>	<u>\$108,591</u>	<u>\$26,814</u>
As of Jan. 1, 2024	\$55,462	\$76,169	\$15,164
Addition/(reversal) for the current period	2,281	28,409	9,804
Write off	-	-	-
As of Dec. 31, 2024	<u>\$57,743</u>	<u>\$104,578</u>	<u>\$24,968</u>

(24) Leases

A. The Company as a lessee

The Company leases lands. These leases have terms of between 3 and 10 years. The Company may not allow to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

(a) Amounts recognized in the balance sheet

① Right-of-use asset

The carrying amount of right-of-use asset

	As of December 31,	
	2025	2024
Land	\$13,330	\$19,726

② Lease liability

	As of December 31,	
	2025	2024
Lease liabilities	\$385,813	\$489,582
Current	\$106,379	\$104,163
Non-current	279,434	385,419
Total	\$385,813	\$489,582

Please refer to Note 6(26) for the interest on lease liability recognized and Note 12(5) for the maturity analysis for lease liabilities for the year ended December 31, 2025 and 2024.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2025	2024
Land	\$6,396	\$6,204

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2025	2024
The expense relating to short-term leases (rent expenses)	\$16,283	\$5,598
The expense relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	613	577
The expenses relating to variable lease payments (not included in the measurement of lease liabilities)	290	268

(d) Cash outflow relating to leasing activities

For the year ended December 31, 2025 and 2024, the Company's total cash outflow for leases amounting to NT\$129,240 thousand and NT\$119,088 thousand, respectively.

B. Company as a lessor

Please refer to Note 6 (11) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer all the risks and rewards incidental to ownership of underlying assets substantially.

The Company has entered leases on plants and commercial building. These leases have terms of between 2 and 20 years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	For the years ended December 31,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments	\$17,285	\$15,968

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Less than one year	\$7,595	\$7,276
More than one year but less than five years	15,893	3,786
More than five years	1,979	2,833
Total	\$25,467	\$13,895

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

Function Nature	For the years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries and wages	\$185,139	\$116,036	\$301,175	\$207,756	\$111,729	\$319,485
Labor and health insurance	20,752	4,405	25,157	19,928	3,877	23,805
Pension expense	6,469	1,631	8,100	7,416	1,739	9,155
Directors' remuneration	-	35,810	35,810	-	47,780	47,780
Other employee benefits	6,556	11,953	18,509	4,452	8,222	12,674
Depreciation	107,357	13,102	120,459	105,970	13,406	119,376
Amortization expense	975	-	975	971	-	971

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Note:

1. The Company had average 333 employees and 373 employees as of December 31, 2025 and 2024, respectively, of which 5 directors were not employees.

2. Companies whose stocks have been listed on Taiwan Securities Exchange or listed on Over-The-Counter should have the disclosure of the following information:

(1) The average employee benefit expenses for 2025 and 2024 were NT\$1,079 thousand and NT\$995 thousand, respectively.

(2) The average employee salary expenses for 2025 and 2024 were NT\$921 thousand and NT\$871 thousand, respectively.

(3) The average employee salary adjustment was 5.7%.

(4) The Company's salary and remuneration policy: The remuneration to the Company's directors and supervisors is in accordance with the Company's articles of incorporation and relevant laws and regulations. Considering the Company's profitability and future operational needs, the proposal by the Salary and Compensation Committee will be discussed and approved by the Board of Directors and then submitted to the shareholders meeting to report. The remuneration to the general manager and deputy general managers includes salary, bonuses and employee bonuses, etc., and is determined by the Salary and Compensation Committee each year according to their position, the responsibilities assumed and the contribution to the Company, and comparison with competitors. After discussion, Implementation after approval by the Board of Directors; employees of the Company are based on their academic background, professional knowledge and technology, professional years of experience and personal performance to determine their salaries, and salary adjustments are made according to operating results, in order to motivate morale and retain outstanding employees in a timely manner.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

According to the resolution, no lower than 0.5% of profit of the current year is distributable as employees' compensation and no higher than 2.5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Articles of Incorporation were amended as resolved at the shareholders' meeting held on May 26, 2025. No less than 50% of the total amount of employee remuneration mentioned above shall be allocated to frontline employees. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2025, employees' compensation and remuneration to directors for the year ended December 31, 2025 amounted to NT\$36,230 thousand and NT\$26,260 thousand, respectively. And employees' compensation and remuneration to directors for the year ended December 31, 2024 amounted to NT\$40,700 thousand and NT\$29,510 thousand, respectively. The aforementioned employees' compensation and remuneration to directors were recognized as employee benefit expense. If the number of stocks distributed as employees' compensation was calculated based on the closing price one day earlier than the date of Board of Directors meeting. If there was different between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors, it will recognize in profit or loss next year.

The Company's Board of Directors resolved the employees' compensation and remuneration to directors in cash to be NT\$36,230 thousand and NT\$26,260 thousand, respectively, in a meeting held on March 2, 2026. No difference between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors for the year ended December 31, 2025.

The Company's Board of Directors resolved the employees' compensation and remuneration to directors in cash to be NT\$40,700 thousand and NT\$29,510 thousand, respectively, in a meeting held on March 10, 2025. No difference between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors for the year ended December 31, 2024.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(26) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$22,947	\$38,452
Interest on financial lease	10,096	12,413
Total	<u>\$33,043</u>	<u>\$50,865</u>

B. Other income

	For the years ended December 31,	
	2025	2024
Rental income	\$17,285	\$15,968
Dividends income	6,868	7,129
Gain recognized in bargain purchase transaction	18,405	-
Other income - others	14,657	12,019
Total	<u>\$57,215</u>	<u>\$35,116</u>

C. Other gains and losses

	For the years ended December 31,	
	2025	2024
Gain on disposal of property, plant and equipment	\$48,272	\$47,388
Foreign exchange gain (loss), net	(32,789)	53,799
Gain (loss) on financial assets at fair value through profit or loss (Note)	219	(14,866)
Other losses	(2,794)	(13,177)
Loss on disposal investments	-	(1)
Total	<u>\$12,908</u>	<u>\$73,143</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs

	For the years ended December 31,	
	2025	2024
Interest on bank loans	\$91,866	\$96,461
Interest on lease liabilities	8,285	10,257
Interest on bonds payable	132,909	34,344
Other interest expense	307	284
Finance expenses	2,744	2,041
Less: Interest capitalization	(2,435)	(4,657)
Total	\$233,676	\$138,730

Details of interest capitalization are as follow:

	For the years ended December 31,	
	2025	2024
Interest capitalization	\$2,345	\$4,657
Capitalization rate	2.26%	2.15%

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(27) Components of other comprehensive income

For the year ended December 31, 2025

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(76,080)	\$-	\$(76,080)	\$-	\$(76,080)
May be reclassified to profit or loss in subsequent period:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	(5,661)	-	(5,661)	1,132	(4,529)
Total	\$(81,741)	\$-	\$(81,741)	\$1,132	\$(80,609)

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$201,675	\$-	\$201,675	\$-	\$201,675
May be reclassified to profit or loss in subsequent period:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	11,410	-	11,410	(2,282)	9,128
Total	\$213,085	\$-	\$213,085	\$(2,282)	\$210,803

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(28) Income tax

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

Income tax expense (income) recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense (income):		
Current income tax charge	\$15,016	\$313,488
Adjustments in respect of current income tax of prior periods	(3,944)	(15,317)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	87,929	(92,629)
Total income tax expense (income)	<u>\$99,001</u>	<u>\$205,542</u>

Income tax relating to components of other comprehensive income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred income tax expense (or benefit):		
Exchange differences on translation of foreign financial statements	<u>\$(1,132)</u>	<u>\$2,282</u>

Income tax charged directly to equity

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred income tax expense (or benefit):		
Original recognition of equity components in compound financial instruments	<u>\$-</u>	<u>\$40,533</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

	For the years ended December 31,	
	2025	2024
Accounting profit before tax from continuing operations	\$1,748,798	\$1,964,707
Tax payable at the enacted tax rates	\$349,755	\$392,941
Tax effect of expenses not deductible for tax purposes	(279,356)	(184,129)
Understated earnings subject to corporate income tax surcharge	32,546	12,047
Adjustments in respect of current income tax of prior periods	(3,944)	(15,317)
Total income tax expense (income) recognized in profit or loss	\$99,001	\$205,542

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

For the year ended December 31, 2025

	Beginning balance as of Jan. 1, 2025	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Income tax charged directly to equity	Ending balance as of Dec. 31, 2025
Temporary difference					
Impairment loss	\$4,986	\$(86)	\$-	\$-	\$4,900
Loss on construction	25,220	3,064	-	-	28,284
Investment accounted for under equity method	9,410	13,190	-	-	22,600
Unrealized profits and losses	227,326	(112,400)	-	-	114,926
Other	(1,525)	8,303	-	-	6,778
Exchange differences on translation of foreign financial statements	29,876	-	1,132	-	31,008
Convertible corporate bonds	(72,645)	-	-	-	(72,645)
Deferred tax income/(expense)		<u>\$(87,929)</u>	<u>\$1,132</u>	<u>\$-</u>	
Net deferred tax assets/(liabilities)	<u>\$222,648</u>				<u>\$135,851</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$306,846</u>				<u>\$211,818</u>
Deferred tax liabilities	<u>\$84,198</u>				<u>\$75,967</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

For the year ended December 31, 2024

	Beginning balance as of Jan. 1, 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in comprehensive income	Income tax charged directly to equity	Ending balance as of Dec. 31, 2024
Temporary difference					
Impairment loss	\$5,072	\$(86)	\$-	\$-	\$4,986
Loss on construction	18,380	6,840	-	-	25,220
Investment accounted for under equity method	9,709	(299)	-	-	9,410
Unrealized profits and losses	131,586	95,740	-	-	227,326
Other	8,041	(9,566)	-	-	(1,525)
Exchange differences on translation of foreign financial statements	32,158	-	(2,282)	-	29,876
Convertible corporate bonds	(32,112)	-	-	(40,533)	(72,645)
Deferred tax income/(expense)		\$92,629	\$(2,282)	\$(40,533)	
Net deferred tax assets/(liabilities)	\$172,834				\$222,648
Reflected in balance sheet as follows:					
Deferred tax assets	\$207,695				\$306,846
Deferred tax liabilities	\$34,861				\$84,198

D. Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets that have not been recognized were both of NT\$0.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

E. The assessment of income tax return

As of December 31, 2025, the income tax return was assessed and approved up to 2023.

(29) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the Company 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 Company (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 years ended	
	December 31,	
	2025	2024
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$1,649,777	\$1,759,165
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	251,022	253,744
Basic earnings per share (NT\$)	\$6.57	\$6.93
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$1,649,777	\$1,759,165
Interest expense from convertible bonds (in thousand)	132,909	34,344
Revaluation gains on financial instruments measured at fair value through profit or loss	6,600	18,208
Profit attributable to ordinary equity holders of the Company after dilution (in thousand)	\$1,789,286	\$1,811,717

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	For the years ended	
	December 31,	
	2025	2024
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	251,022	253,744
Effect of dilution:		
Convertible bonds (in thousand)	25,144	7,314
Employees' compensation - stock (in thousand)	299	199
Weighted average number of ordinary shares outstanding after dilution (in thousand)	276,465	261,257
 Diluted earnings per share (NT\$)	\$6.47	\$6.93

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

7. Related party transactions

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

Name and nature of relationship of the related parties

Name of the related parties	Relationship with the Company
Century International Construction Limited	Subsidiary
Century Wind Power Co., Ltd.	Subsidiary
Century Huaxin Wind Energy Co., Ltd.	Subsidiary
Century Transportation Co., Ltd.	Subsidiary
Century Heavy Industry International Co., Ltd.	Subsidiary
PT. CENTURY INDONESIA WIND ENERGY (Note)	Subsidiary
Myanmar Century Steel Structure Limited	Subsidiary
Taijing Tongyun Co., Ltd (Note 1)	Subsidiary

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

<u>Name of the related parties</u>	<u>Relationship with the Company</u>
TAI-SHING ENGINEERING AND CONSTRUCTION Co., Ltd.	Other related party
ZHANG, YU-LING	A relative of the Company's chairman
Xiang Xing Industry Limited Company	Other related party
Chen Xing-Xue	Company's director
Guanding Green Energy Development Co., Ltd	The chairman of the Company is the chairman of the company
Century Green Energy Vocational Senior High School	The chairman of the Company is the chairman of the school
Taoyuan Asset Management Co., Ltd.	Other related party
Century Sustainable Development Foundation	Other related party
LAI JUN-CHENG	Company's director

Note: The Company acquired 99.93% equity interest in PT. CENTURY INDONESIA WIND ENERGY (formerly PT NIPPON STEEL BATAM OFFSHORE SERVICE) on September 2, 2025.

Note 1: The Company's subsidiary, Century Heavy Industry International Co., Ltd., acquired 100% equity interest in Taijing Transportation Co., Ltd. in February 2025.

(2) Significant transactions with related parties

A. Operating revenue

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Century Wind Power Co., Ltd.	\$1,579,036	\$2,455,249
Century Huaxin Wind Energy Co., Ltd.	80,821	28,852
Xiang Xing Industry Limited Company	-	2,989
Taijing Tongyun Co., Ltd	130,800	-
Total	<u>\$1,790,657</u>	<u>\$2,487,090</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

The sales prices and collection terms to related parties were not significantly different from those of sales to third parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

B. The Company engaged related parties to provide services and incurred costs.

	For the years ended December 31,	
	2025	2024
Century Wind Power Co., Ltd.	\$-	\$186
Century Huaxin Wind Energy Co., Ltd.	69,534	391,416
TAI-SHING ENGINEERING AND CONSTRUCTION Co., Ltd.	1,460	95,070
Xiang Xing Industry Limited Company	-	7,212
Taijing Tongyun Co., Ltd	41,401	50,422
Century Heavy Industry International Co.,Ltd.	109	113
Total	\$112,504	\$544,419

C. Trade receivable - related parties

	As of December 31,	
	2025	2024
Century Wind Power Co., Ltd.	\$364,077	\$1,044,571
Century Huaxin Wind Energy Co., Ltd.	42,175	875
Total	\$406,252	\$1,045,446

D. Contract assets (construction work-in-process and construction retainage receivable)

	As of December 31,	
	2025	2024
Century Huaxin Wind Energy Co., Ltd.	\$3,510	\$-
Taoyuan Asset Management Co., Ltd.	130,800	-
Total	\$134,310	\$-

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

E. Other receivable - related parties (excluding financing provided to others)

	As of December 31,	
	2025	2024
Myanmar Century Steel Sturcture Limited	\$18,537	\$19,004
Century International Construction Limited	1,580	1,519
Century Wind Power Co., Ltd.	252	238
Century Huaxin Wind Energy Co., Ltd.	7,152	29
Taijing Tongyun Co., Ltd	4	57
Xiang Xing Industry Limited Company	-	33
Century Transportation Co., Ltd.	-	2
PT. CENTURY INDONESIA WIND ENERGY	33,348	-
Total	<u>\$60,873</u>	<u>\$20,882</u>

F. The Company's financing transactions with related parties are as follows: (recorded under Other receivables – related parties)

	Maximum balance	Ending balance	Interest rate range	Total interest
<u>2025</u>				
PT. CENTURY INDONESIA WIND ENERGY	\$247,510	<u>\$140,300</u>	2.33%~2.34%	<u>\$348</u>

2024

None.

G. Temporary prepayments (including in other current assets)

	As of December 31,	
	2025	2024
Guanding Green Energy Development Co., Ltd	<u>\$100</u>	<u>\$100</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

H. Prepayments in land (including in other non-current assets)

	As of December 31,	
	2025	2024
Chen Xing-Xue	\$259	\$259

I. Prepayments for business facilities (including in other non-current assets)

	As of December 31,	
	2025	2024
PT. CENTURY INDONESIA WIND ENERGY	\$105,718	\$-

J. Refundable deposits (including in other non-current assets)

	As of December 31,	
	2025	2024
Century Green Energy Vocational Senior High School	\$717	\$288

K. Notes payable - related party

	As of December 31,	
	2025	2024
Taijing Tongyun Co., Ltd	\$3,729	\$-

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

L. Accounts payable - related party

	As of December 31,	
	2025	2024
Century Huaxin Wind Energy Co., Ltd.	\$58,238	\$240,533
TAI-SHING ENGINEERING AND CONSTRUCTION Co., Ltd.	4,838	31,551
Xiang Xing Industry Limited Company	-	3,284
Taijing Tongyun Co., Ltd	6,630	11,027
Century Wind Power Co., Ltd.	7,458	-
Total	\$77,164	\$286,395

M. Other payable - related party

	As of December 31,	
	2025	2024
Century Wind Power Co., Ltd.	\$-	\$12,695
Xiang Xing Industry Limited Company	-	194
Taijing Tongyun Co., Ltd	182	95
LAI JUN-CHENG	59	-
Total	\$241	\$12,984

N. Guarantee deposits (including in other non-current liabilities)

	As of December 31,	
	2025	2024
Xiang Xing Industry Limited Company	\$13	\$12
Taijing Tongyun Co., Ltd	5	5
Century Heavy Industry International Co., Ltd.	10	10
Total	\$28	\$27

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

O. Operating costs and operating expenses

	Account	For the years ended December 31,	
		2025	2024
Xiang Xing Industry Limited Company	Miscellaneous	\$-	106
Century Heavy Industry International Co., Ltd.	Freight	-	113
Century Sustainable Development Foundation	Donation	7,000	-
Total		<u>\$7,000</u>	<u>\$219</u>

P. Rental income

Name of the related parties	Period	Leased subject	Price	Rental income	
				For the years ended December 31,	
				2025	2024
Century Wind Power Co., Ltd.	2022.09.01 ~ 2028.12.31	Staff dormitory	NT\$3 ~ NT\$3.5 / Per person / Per month and price is based on the type of housing	<u>\$12,918</u>	<u>\$12,797</u>
Century Huaxin Wind Energy Co., Ltd.	2021.01.01 ~ 2026.12.31	Office	NT\$5 / Per month	<u>\$60</u>	<u>\$60</u>
Century Huaxin Wind Energy Co., Ltd.	2021.01.01 ~ 2025.12.31	Staff dormitory	NT\$2 ~ NT\$3.5 / Per person / Per month	<u>\$63</u>	<u>\$181</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Name of the related parties	Period	Leased subject	Price	Rental income	
				For the years ended December 31,	
				2025	2024
Century Transportation Co., Ltd.	2023.09.05 ~ 2025.09.04	Office	NT\$1 / Per month	\$8	\$12
Taijing Tongyun Co., Ltd	2022.12.01 ~ 2025.12.31	Staff dormitory	NT\$2 ~ NT\$3.5 / Per person / Per month	\$28	\$-
Century Heavy Industry International Co., Ltd.	2023.10.01 ~ 2026.12.31	Office	NT\$12 / Per year	\$12	\$12
Century Heavy Industry International Co., Ltd.	2020.04.01 ~ 2026.12.31	Staff dormitory	NT\$3 / Per person / Per month	\$60	\$58

Q. Other income

	For the years ended December 31,	
	2025	2024
Century Wind Power Co., Ltd.	\$13,660	\$7,328
Century Heavy Industry International Co., Ltd.	280	-
Century Huaxin Wind Energy Co., Ltd.	60	-
Total	\$14,000	\$7,328

R. In 2025, The Company paid compensation of NT\$2,030 thousand to Century Wind Power Co., Ltd. for the sale of real estate and equipment in 2022.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

S. The Company engaged ZHANG, YU-LING as a consultant for the year ended December 31, 2025 and 2024, recognized in operating expense-wage expense altogether NT\$70 thousand and NT\$420 thousand.

T. The Company sold property, plant and equipment to related party as follows:

<u>Asset type</u>	<u>Related party</u>	<u>Book Value</u>	<u>Price</u>	<u>Gain (loss) on disposal</u>	<u>Reference</u>
<u>For the year ended December 31, 2025</u>					
Equipment	Century Huaxin Wind Energy Co., Ltd.	<u>\$7,103</u>	<u>\$6,811</u>	<u>\$292</u>	Negotiation

For the year ended December 31, 2024

None

U. Endorsement and guarantee

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Key management personnel	<u>\$5,614,565</u>	<u>\$3,336,561</u>

V. Key management personnel's compensation

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$55,586</u>	<u>\$68,541</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

8. Assets pledged as collateral

Item	Carrying amount		Secured liabilities
	As of December 31,		
	2025	2024	
Financial assets measured at amortized cost	\$91,835	\$371,444	Security deposit and reserve account
Property, plant and equipment	2,140,465	2,144,433	Long-term and short-term secured loans
Total	<u>\$2,232,300</u>	<u>\$2,515,877</u>	

9. Significant contingencies and unrecognized contractual commitments

- (1) Amounts available under unused letters of credit as of December 31, 2025 were NT\$46,886 thousand.
- (2) The Company's performance guarantee to be entrusted by financial institute as of December 31, 2025 was NT\$13,052,715 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

Considering the Company's long-term development and planning needs, it resolved at the board meeting held on January 15, 2026 to acquire industrial land for business use located at Nos. 75 and 76, Subsection 5, Industrial Area Section, Guanyin District, Taoyuan City, with a total price of approximately NT\$2,193,882 thousand.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2025	2024
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$141,314	\$134,495
Financial assets at fair value through other comprehensive income	244,106	320,186
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	890,737	795,664
Financial assets measured at amortized cost	91,835	371,444
Notes receivables	9,406	34,779
Trade receivables (including related parties)	546,577	1,349,072
Other receivables (including related parties)	227,463	25,043
Financing lease payments receivable, net	373,361	471,023
Refundable deposits	180,862	40,536
Subtotal	<u>2,320,241</u>	<u>3,087,561</u>
Total	<u>\$2,705,661</u>	<u>\$3,542,242</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Financial liabilities

	As of December 31,	
	2025	2024
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$63,600	\$57,000
Financial liabilities at amortized cost:		
Short-term loans	2,140,442	584,838
Trade and other payables (including related parties)	822,267	1,335,593
Bonds payable (including current portion with maturity less than 1 year)	5,852,422	5,719,513
Long-term loans (including current portion with maturity less than 1 year)	2,471,645	2,751,723
Lease liabilities (including current portion with maturity less than 1 year)	385,813	489,582
Guarantee deposits	18,452	18,443
Subtotal	<u>11,691,041</u>	<u>10,899,692</u>
Total	<u>\$11,754,641</u>	<u>\$10,956,692</u>

(2) Financial risk management objectives and policies

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

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

Foreign currency risk

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

When NT dollars strengthens/weakens against foreign currency US dollars by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased/increased by NT\$6,355 thousand and NT\$6,590 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and loans with variable interest rates. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to decrease/increase by NT\$4,724 thousand and NT\$2,541 thousand, respectively.

Equity price risk

The fair value of the Company's unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's unlisted equity securities is classified under financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

At the reporting date, a change of 5% in the price of the unlisted equity securities measured at fair value through other comprehensive income could increase/decrease the Company's equity attributable to the Company for the years ended December, 31, 2025 and 2024 by NT\$12,205 thousand and NT\$16,009 thousand, respectively.

(4) Credit risk management

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

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc.

As of December 31, 2025 and 2024, amounts of contract assets and accounts receivables from top 10 customers represent 49% and 55% of the total contract assets and trade receivables of the Company, respectively. The credit concentration risk of other contract assets and accounts receivables is insignificant.

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

The Company adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

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).

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

(5) Liquidity risk management

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

Embedded derivative financial instruments

	Less than 1 year	1 to 5 years	2 to 3 years	3 to 4 years	More than 4 years	Total
<u>As of December 31, 2025</u>						
Loans	\$3,190,976	\$178,437	\$2,300,000	\$-	\$-	\$5,669,413
Payables	822,267	-	-	-	-	822,267
Bonds payable	6,096,400	-	-	-	-	6,096,400
Guarantee deposits	18,452	-	-	-	-	18,452
Lease liabilities (Note)	112,316	109,056	107,364	68,391	1,540	398,667
<u>As of December 31, 2024</u>						
Loans	\$2,427,943	\$581,865	\$391,000	\$-	\$-	\$3,400,808
Payables	1,335,593	-	-	-	-	1,335,593
Bonds payable	-	6,096,400	-	-	-	6,096,400
Guarantee deposits	18,443	-	-	-	-	18,443
Lease liabilities	112,645	110,075	107,364	107,364	73,864	511,312

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Note: Information about the maturities of lease liabilities is provided in the table below:

	Less than 1	1 to 5 years	6 to 10 years	11 to 15	More 15	Total
	year			years	years	
2025.12.31	\$112,316	\$286,351	\$-	\$-	\$-	\$398,667
2024.12.31	\$112,645	\$398,667	\$-	\$-	\$-	\$511,312

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

	Short-term	Long-term	Guarantee	Bonds	Lease	Total liabilities
	loans	loans	deposits	payable	liabilities	from financing
						activities
2025.01.01	\$584,838	\$2,751,723	\$18,443	\$5,719,513	\$489,582	\$9,564,099
Cash flows	1,555,604	719,850	9	-	(112,054)	2,163,409
Non-cash	-	2,550	-	132,909	8,285	143,744
changes						
2025.12.31	\$2,140,442	\$3,474,123	\$18,452	\$5,852,422	\$385,813	\$11,871,252

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term	Short-term	Long-term	Guarantee	Bonds	Lease	Total liabilities
	loans	and bills	loans	deposits	payable	liabilities	from financing
		payable					activities
2024.01.01	\$1,322,712	\$399,753	\$2,830,670	\$18,438	\$2,605,211	\$588,997	\$7,765,781
Cash flows	(737,834)	(404,648)	(79,717)	5	6,087,441	(102,388)	4,762,819
Non-cash	-	4,895	770	-	(2,973,139)	2,973	(2,964,501)
changes							
2024.12.31	\$584,838	\$-	\$2,751,723	\$18,443	\$5,719,513	\$489,582	\$9,564,099

Non-cash changes are lease liabilities generated from new lease targets, amortization of interest and conversion of corporate bonds 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 Company to measure or disclose the fair values of financial assets and financial liabilities:

- a. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.).

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than the item is listed in the table below, the carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value:

	Carrying amount as of	
	December 31,	
	2025	2024
Financial liabilities		
Bonds payable	<u>\$5,852,422</u>	<u>\$5,719,513</u>
	Fair value as of December 31,	
	2025	2024
Financial liabilities		
Bonds payable	<u>\$5,771,200</u>	<u>\$5,610,400</u>

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

Embedded derivative financial instruments

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(17) for further information on this transaction.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

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

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2025

Financial assets:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets measured at fair value through profit or loss				
Unlisted companies stocks	<u>\$-</u>	<u>\$-</u>	<u>\$19,676</u>	<u>\$19,676</u>
Joint construction share-profit rights	<u>\$-</u>	<u>\$-</u>	<u>\$121,638</u>	<u>\$121,638</u>
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	<u>\$91,071</u>	<u>\$-</u>	<u>\$153,035</u>	<u>\$244,106</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contract				
Embedded derivative financial instruments	<u>\$-</u>	<u>\$-</u>	<u>\$63,600</u>	<u>\$63,600</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

As of December 31, 2024

Financial assets:	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Unlisted companies stocks	\$-	\$-	\$12,857	\$12,857
Joint construction share-profit rights	\$-	\$-	\$121,638	\$121,638
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$174,893	\$-	\$145,293	\$320,186
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contract				
Embedded derivative financial instruments	\$-	\$-	\$57,000	\$57,000

Transfers between Level 1 and Level 2 during the period

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value hierarchy.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows

	Derivatives measured at fair value through			Equity instrument
	profit or loss			measured at fair
	Derivative	Other	Stocks	value through
				other
				comprehensive
				income
				Stocks
Beginning balances as of January 1, 2025	\$(57,000)	\$121,638	\$12,857	\$145,293
Total gains and losses recognized for the year ended December 31, 2025:				
Amount recognized in profit or loss (presented in “other profit or loss”)	(6,600)	-	6,819	-
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	-	-	7,742
Acquisition for the year ended December 31, 2025	-	-	-	-
Sales For the years ended December 31, 2025	-	-	-	-
Repayment and conversion for the year ended December 31, 2025	-	-	-	-
Ending balances as of December 31, 2025	<u>\$(63,600)</u>	<u>\$121,638</u>	<u>\$19,676</u>	<u>\$153,035</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	Derivatives measured at fair value through			Equity instrument
	profit or loss			measured at fair
	Derivative	Other	Stocks	value through
				other
				comprehensive
				income
				Stocks
Beginning balances as of January 1, 2024	\$(1,931)	\$121,638	\$-	\$169,482
Total gains and losses recognized for the year ended December 31, 2024:				
Amount recognized in profit or loss (presented in “other profit or loss”)	(18,208)	-	-	-
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	-	-	(24,189)
Acquisition for the year ended December 31, 2024	(36,600)	-	12,857	-
Sales For the years ended December 31, 2024	-	-	-	-
Repayment and conversion for the year ended December 31, 2024	(261)	-	-	-
Ending balances as of December 31, 2024	<u>\$(57,000)</u>	<u>\$121,638</u>	<u>\$12,857</u>	<u>\$145,293</u>

Total gains and losses recognized in profit or loss for the year ended December 31, 2025 and 2024 in the table above contain gains and losses related to assets on hand as of December 31, 2025 and 2024 in amount of NT\$219 thousand and NT\$(18,208) thousand, respectively.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Fair value through profit or loss					
Embedded derivative	A binomial-tree model for convertible bond pricing	Volatility	46.09%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Company's profit or loss by NT\$3,400 and NT\$3,000 thousand
Joint construction share-profit rights	Comparative method and Income approach	Surrounding market prices	100%	The higher the surrounding market price, the higher the fair value estimate	1% increase (decrease) in the surrounding market prices would result in increase (decrease) the profit and loss of the company by NT\$1,216 thousand
Stocks	Market approach	Lack of liquidity reduction	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the lack of liquidity reduction would result in decrease (increase) in the Company's equity by NT\$ 984 thousand

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Measured at fair value through other comprehensive income					
Stocks	Market approach	Lack of liquidity reduction	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the lack of liquidity reduction would result in decrease (increase) in the Company's equity by NT\$7,652 thousand

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Fair value through profit or loss					
Embedded derivative	A binomial-tree model for convertible bond pricing	Volatility	55.64%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Company's profit or loss by NT\$1,400 and NT\$1,200 thousand

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Joint construction share-profit rights	Comparative method and Income approach	Surrounding market prices	100%	The higher the surrounding market price, the higher the fair value estimate	1% increase (decrease) in the surrounding market prices would result in increase (decrease) the profit and loss of the company by NT\$1,216 thousand
Stocks	Market approach	Lack of liquidity reduction	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the lack of liquidity reduction would result in decrease (increase) in the Company's equity by NT\$ 643 thousand
Measured at fair value through other comprehensive income					
Stocks	Market approach	Lack of liquidity reduction	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the lack of liquidity reduction would result in decrease (increase) in the Company's equity by NT\$7,265 thousand

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C.Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	<u>\$-</u>	<u>\$-</u>	<u>\$242,831</u>	<u>\$242,831</u>
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payable (please refer to Note 6(17))	<u>\$-</u>	<u>\$-</u>	<u>\$ 5,771,200</u>	<u>\$ 5,771,200</u>

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	\$-	\$-	\$237,420	\$237,420
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payable (please refer to Note 6(17))	\$-	\$-	\$5,610,400	\$5,610,400

(10) 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					
	2025			2024		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$20,213	31.44	\$635,487	\$23,939	32.74	\$783,834
Non-monetary items:						
USD	\$5,034	31.44	\$158,268	\$5,443	32.74	\$178,195

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

	As of December 31					
	2025			2024		
	Foreign		NTD	Foreign		NTD
	Foreign	exchange		Foreign	exchange	
currencies	rate		currencies	rate		
<u>Financial liabilities</u>						
Monetary items:						
USD	\$-	-	\$-	\$3,879	32.19	\$124,845

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

The Company has foreign operations which had different functional currencies. They could not be disclosed the foreign exchange gains or losses on monetary financial assets and financial liabilities for each currency with its significant influence. The foreign exchange gains or losses of the Company amounted to NT\$(32,789) thousand and NT\$53,799 thousand for the years ended December 31, 2025 and 2024, respectively.

(11) Capital management

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

13. Other disclosures

(1) Information on significant transactions

A. Financing provided to others: Please refer to attachment 1.

B. Endorsement/Guarantee provided to others: None.

Century Iron And Steel Industrial Co., Ltd

Notes to Parent-Company-Only Financial Statements (Continued)

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

- C. Material marketable securities held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.
- D. 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, 2025: Please refer to attachment 3.
- E. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2025: Please refer to attachment 4.

(2) Information on investees

- A. Name, locations and related information of investees(excluding investees in Mainland China): Please refer to attachment 5.
- 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) Material marketable securities held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): None.
 - (d) Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended December 31, 2025: Please refer to attachment 6.
 - (e) Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2025: Please refer to attachment 7.

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

14. Segment information

The Company has provided the operating segments disclosure in the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Iron and Steel Industrial Co., Ltd. and Subsidiaries

Financing provided to others

For the nine-month period ended December 31, 2025

Attachment 1

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Counterparty	Account	Related party	Maximum balance for the period	Ending balance	Amount actually provided	Interest rate	Nature for financing (Note 2)	Transacti on amounts	Reason for short- term financing	Loss allowance	Collateral Item	amount for individual counterparty Value	Limit of total financing amount (Note 3)	Limit of total financing amount (Note 4)
0	Century Iron And Steel Industrial Co., Ltd.	PT. CENTURY INDONESIA WIND ENERGY	Other receivables	Y	\$247,510	\$247,510	\$140,300	2.3300%~ 2.3368%	2	\$-	To meet the working capital needs of the borrowing entities	\$-	-	\$-	\$1,111,453	\$2,222,906

Note 1: 0 refers to the Company.

Note 2: The method for filling out the nature of the funding loan is as follows:

1. Please fill in 1 for those with business transactions.
2. Please fill in 2 for those who require short-term financing.

Note 3: Loans to individual entities shall not exceed ten percent of the Company's net worth as stated in the financial statements.

Note 4: The total amount of loans shall not exceed twenty percent of the Company's net worth as stated in the financial statements.

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

Century Iron And Steel Industrial Co., Ltd.

Marketable Securities Held as of (excluding investments in subsidiaries, associates and joint ventures)

As of December 31, 2025

Attachment 2

(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Name (Note 1)	Relationship (Note 2)	Financial Statement Account	For the year ended December 31, 2025				Note (Note 3)
				Shares/Unit	Amount	Holding Ratio	Fair Value	
Century Iron And Steel Industrial Co., Ltd.	<u>Stock</u> Apex Wind Power Equipment Manufacturing Co., Ltd.	-	Financial assets at fair value through other comprehensive income Add: Evaluation adjustment Subtotal	4,707,000	\$51,777 <u>39,294</u> 91,071	7.13%	\$91,071	None
Century Iron And Steel Industrial Co., Ltd.	<u>Stock</u> TA CHANG TSUO INDUSTRIALS Co., Ltd.	-	Financial assets at fair value through other comprehensive income Add: Evaluation adjustment Subtotal	10,000,000	137,500 <u>15,535</u> 153,035	12.50%	153,035	None
			Total		<u>\$244,106</u>			
Century Iron And Steel Industrial Co., Ltd.	<u>Stock</u> TA CHANG TSUO INDUSTRIALS Co., Ltd.	-	Financial assets at fair value through income Add: Evaluation adjustment Subtotal Total	1,285,714	12,857 6,819 <u>19,676</u> <u>\$19,676</u>	1.61%	19,676	None

Note 1 : Name of marketable securities from this page is stocks, bonds, beneficiary certificates and extension of the above items under IFRS 9 Financial Instruments.

Note 2 : If issuer of marketable securities is not related party, don't fill in this field.

Note 3 : If there are securities who are restricted due to the provision of guarantees, pledged loans, or other agreements, they should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and restricted use in the column.

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

Century Iron And Steel Industrial Co., Ltd.

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

For the year ended December 31, 2025

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Counter-party	Relationship	Transaction Details				Details of Non-arm's Length Transaction		Notes and Accounts Receivable (payable)		Note
			Purchase (sale)	Amount	Percentage of Total Purchases (sales)	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Balance (Note 2)	Percentage of Total Notes and Accounts Receivable (payable)	
Century Iron And Steel Industrial Co., Ltd.	Century Wind Power Co., Ltd.	Subsidiaries	Operating revenue	\$1,579,036	53.48%	By contract	There are no major differences between transaction prices and conditions with non-related parties.	By contract	Accounts receivables \$364,077	40.48%	Note 1

Note1: Century Wind Power Co., Ltd. purchased steel as raw materials from Century Iron And Steel Industrial Co., Ltd. in order to meet the demand for construction of Taipei port southern terminal and century skytower.

Note2: Including project retention of construction which included in contract assets.

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

Century Iron And Steel Industrial Co., Ltd.

Receivables from related parties of at Least NT\$100 Million or 20% of the paid-in capital

As of December 31, 2025

Attachment 4

(In Thousands of New Taiwan Dollars)

Company Name	Counter-party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Century Iron And Steel Industrial Co., Ltd.	Century Wind Power Co., Ltd.	Subsidiaries	<u>\$364,077</u> (Note 1)	<u>2.24</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>

Note 1: Including notes receivables and project retention of construction which included in contract assets.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Century Iron And Steel Industrial Co., Ltd.
Names, locations and related information of investees (Excluding Investees in Mainland China)
For the year ended December 31, 2025

Attachment 5

(In Thousands of Foreign Currency or New Taiwan Dollars)

Name of Investor	Name of Investee	Area	Main Operating Item	Amount of Original Investment		Hold at the end of the period			Investee' Profit or Loss for Current Period	Recognize Investment Profit or Loss for Current Period	Note
				As of December 31, 2025	As of December 31, 2024	Share(thousand)	Percentage%	Amount			
Century Iron And Steel Industrial Co., Ltd.	Century Wind Power Co., Ltd.	Taiwan	Power generation and distribution machinery and equipment manufacturing	\$10,069,057	\$10,068,354	100,502	59.12%	\$11,022,624	\$2,030,428	\$1,204,197	
Century Iron And Steel Industrial Co., Ltd.	Century International Construction Limited	HONG KONG	Engage in investment activities	376,768	376,768	11,913	66.19%	136,068	(19,566)	(12,951)	
Century Iron And Steel Industrial Co., Ltd.	Chinese Myanmar Investment Co., Ltd.	Taiwan	Engage in investment activities	5,800	5,800	580	29.00%	5,310	(20)	(6)	
Century Iron And Steel Industrial Co., Ltd.	Century Heavy Industry International Co., Ltd.	Taiwan	Lifting engineering industry	219,487	219,487	13,023	54.26%	311,910	109,267	67,728	
Century Iron And Steel Industrial Co., Ltd.	Century Huaxin Wind Energy Co., Ltd.	Taiwan	Metal structure manufacturing	2,921,199	2,920,038	92,909	46.45%	2,315,805	442,679	191,725	
Century Iron And Steel Industrial Co., Ltd.	Century Transportation Co., Ltd.	Taiwan	Transportation industry	- (Note)	25,000	- (Note)	-% (Note)	- (Note)	45	45	
Century Iron And Steel Industrial Co., Ltd.	PT. CENTURY INDONESIA WIND ENERGY	Indonesia	Metal structure manufacturing	USD 11,392	-	30	99.93%	316,170	(54,721)	(52,999)	
Century Wind Power Co., Ltd.	Century Bladt Foundations Co., Ltd.	Taiwan	Consulting services of construction management	58,613	58,613	5,861	66.60%	4,784	48		
Century Wind Power Co., Ltd.	Century Heavy Industry International Co., Ltd.	Taiwan	Lifting engineering industry	30,357	30,357	2,375	9.90%	56,828	109,267		
Century International Construction Limited	Myanmar Century Steel Structure Limited	Myanmar	Steel structure engineering	USD 18,000	USD 18,000	18,000	90.00%	240,636	(21,468)		
Century Huaxin Wind Energy Co., Ltd.	Century Wind Power Co., Ltd.	Taiwan	Power generation and distribution machinery and equipment manufacturing	1,413,666	1,407,479	7,669,797	4.51%	1,107,720	2,030,428		
Century Heavy Industry International Co., Ltd.	Century Huaxin Wind Energy Co., Ltd.	Taiwan	Metal structure manufacturing	3,600	3,600	60	0.03%	2,763	442,679		
Century Heavy Industry International Co., Ltd.	Century Wind Power Co., Ltd.	Taiwan	Power generation and distribution machinery and equipment manufacturing	151,466	150,000	507	0.30%	128,915	2,030,428		
Century Heavy Industry International Co., Ltd.	Taijing Tongyun Co., Ltd	Taiwan	Lifting engineering industry	35,000	-	2,500	100%	45,108	16,734		
Century Heavy Industry International Co., Ltd.	PT. CENTURY INDONESIA WIND ENERGY	Indonesia	Metal structure manufacturing	USD 8	-	-	0.07%	245	(54,721)		

Note: Century Transportation Co., Ltd. was dissolved on November 13, 2025.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Century Iron and Steel Industrial Co., Ltd.

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

For the Years Ended December 31, 2025

Attachment 6

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction details				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchase (sale)	Amount	Percentage of total purchases (sales)	Payment/Collection term	Unit Price	Payment/Collection Term	Balance	Percentage of total notes and accounts receivable (payable)	
Century Wind Power Co., Ltd.	Century Iron and steel Industrial Co., Ltd.	Parent company	Construction outsourcing and services	\$1,325,800	30.49%	By contract	The purchase is different from the general manufacturer's specifications and cannot be compared.	By contract	Trade payable \$353,411	32.88%	
Century Wind Power Co., Ltd.	Century Huaxin Wind Energy Co., Ltd.	Same parent company	Construction outsourcing and services	\$549,560	12.64%	By contract	The purchase is different from the general manufacturer's specifications and cannot be compared.	By contract	Trade payable \$204,023	18.98%	
Century Huaxin Wind Energy Co., Ltd.	Century Wind Power Co., Ltd.	Same parent company	Services	\$524,055	15.57%	By contract	There are no major differences between transaction prices and conditions with non-related parties.	By contract	Trade receivables \$204,023	58.22%	

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

Century Iron And Steel Industrial Co., Ltd.

Receivables from related parties of at Least NT\$100 Million or 20% of the paid-in capital

For the year ended December 31, 2025

Attachment 7

(In Thousands of New Taiwan Dollars)

Company Name	Counter-party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Century Huaxin Wind Energy Co., Ltd.	Century Wind Power Co., Ltd.	Also a subsidiary under the Company's control	<u>\$204,023</u> (Note)	<u>3.52</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>

Note : Including notes receivables and project retention of construction which included in contract assets.

Century Iron And Steel Industrial Co., Ltd.

1. Statement of Cash and Cash Equivalents

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Description	Amount	Note
Cash on hand		<u>\$2,177</u>	1. Cash and Cash equivalents were not pledged.
Bank deposits			2. Exchange Rate
Check deposits		46	USD : NTD=1 : 31.43
Demand deposits		446,743	EUR : NTD=1 : 36.9
Foreign currency deposits			
USD		443,920	
EUR		<u>28</u>	
Subtotal		<u>890,737</u>	
Total		<u><u>\$892,914</u></u>	

Century Iron And Steel Industrial Co., Ltd.

2. Statement of Financial Assets Measured at Amortized Cost

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Current :			The Financial Assets Measured at Amortized Cost were provided as security or the pledge, please refer to Note 8.
Time deposits	Security deposit	\$5	
Non-current :			
Time deposits	Security deposit	\$91,830	
Total		\$91,835	

Century Iron And Steel Industrial Co., Ltd.

3. Statement of Contract Assets - Current

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Client's name	Amount	Note
FOXWELL ENERGY CORPORATION LTD. Taoyuan Asset Management Co., Ltd.	\$299,511 130,800	1. The contract assets in the left column were due to construction revenue.
ANJIA International Enterprise Co.,Ltd.	125,211	
EARTH POWER Construction CO., LTD. Shanfa Construction Co., Ltd	106,228 98,169	2. The balance of other accounts does not exceed 5% of the account balance.
CHYI YUH CONSTRUCTION CO., LTD. Joint Perfect Construction CO., LTD./ Lianheng Construction Co., Ltd	93,062 88,790	
DYX CONSTRUCTION CO., LTD.	82,249	
JIN JYUN CONSTRUCTION CO., LTD. Changming Construction Co., Ltd	72,881 69,067	
Others	229,604	
Total	1,395,572	
Less: loss allowance	(61,114)	
Net	<u>\$1,334,458</u>	

Century Iron And Steel Industrial Co., Ltd.

4. Statement of Notes Receivable, net

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Client's name	Amount	Note
TA CHANG TSUO INDUSTRIALS Co., Ltd.	\$4,514	1. The notes receivable in the left column were due to operation and were not related parties.
Anjia International Construction Co., Ltd	4,036	
Peng Lin Construction Co., Ltd.	756	2. The balance of other accounts does not exceed 5% of the account balance.
Other	100	
Total	9,406	3. Notes receivable were not provided as a guarantee.
Less: loss allowance	-	
Net	<u>\$9,406</u>	

Century Iron And Steel Industrial Co., Ltd.

5. Statement of Trade Receivables, net

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Client's name	Amount	Note
YONG SEN CONSTRUCTION CO., LTD.	\$67,450	1. The trade receivables in the left column were due to operation and were not related parties.
Hsin Kuang Steel Co., Ltd.	63,873	
Dong Yuan Construction Co., Ltd.	40,712	2. The balance of other accounts does not exceed 5% of the account balance.
Fuhai Wind Power Co., Ltd.	40,000	
Shanfa Construction Co., Ltd	32,647	3. Trade receivables were not provided as a guarantee.
Others	4,234	
Total	248,916	
Less: loss allowance	(108,591)	
Net	<u>\$140,325</u>	

Century Iron And Steel Industrial Co., Ltd.

6. Statement of Inventories, net

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net Realizable Value	
Steel plate	\$546,565	\$740,232	1. The lower of the cost and the net realizable value was valued by the item-by-item comparison method.
Shape steel	99,449	107,607	
Unfixed length of shape steel	407,683	407,683	2. The inventories were not provided as a guarantee or pledge.
Attach steel plate	5,041	14,191	
Steel coil	1,498	2,664	
Supplies	23,082	24,177	
Work in progress	58,666	58,666	
Total	1,141,984	<u>\$1,355,220</u>	
Less: loss allowance	-		
Net	<u>\$1,141,984</u>		

Century Iron And Steel Industrial Co., Ltd.

7. Statement of Other Current Assets

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Prepayments for others	\$53,441	
Other prepaid expenses	14,299	
Temporary payments	6,849	
Prepayments	1,193	
Business tax paid (or Input VAT)	16	
Total	75,798	
Less: loss allowance	(26,814)	
Net	\$48,984	

Century Iron And Steel Industrial Co., Ltd.
8. Statement of Changes in Investments Accounted for Under Equity Method
For the year ended December 31, 2025
(Amounts Expressed in Thousands of New Taiwan Dollars)

Investee Companies	As of January 1, 2025		Additions		Decrease		As of December 31, 2025			Fair Value/Net Assets Value		Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total Amount	
Century Wind Power Co., Ltd.	100,499	\$9,875,589	3	\$1,750,048 (Note 1)	-	\$(603,013) (Note 2)	100,502	59.12%	\$11,022,624	115.82	\$11,640,021	None
Century International Construction Limited	11,913	154,159	-	1,835 (Note 3)	-	(19,926) (Note 4)	11,913	66.19%	136,068	13.29	158,268	None
Chinese Myanmar Investment Co., Ltd.	580	5,316	-	-	-	(6) (Note 5)	580	29.00%	5,310	9.16	5,310	None
Century Heavy Industry International Co., Ltd.	13,023	257,205	-	67,728 (Note 6)	-	(13,023) (Note 7)	13,023	54.26%	311,910	23.95	311,910	None
Century Huaxin Wind Energy Co., Ltd.	92,897	2,221,281	12	208,755 (Note 8)	-	(114,230) (Note 9)	92,909	46.45%	2,315,806	27.91	2,593,362	None
Century Transportation Co., Ltd.	2,500	25,131	-	45 (Note 10)	-	(25,176) (Note 11)	-	-	-	-	-	None
PT. CENTURY INDONESIA WIND ENERGY	-	-	30	369,169 (Note 12)	-	(52,999) (Note 13)	30	99.93%	316,170	10,539.00	316,170	None
Total		<u>\$12,538,681</u>		<u>\$2,397,580</u>		<u>\$(828,373)</u>			<u>\$14,107,888</u>		<u>\$15,025,041</u>	

Note 1: Represents an increase of \$1,204,197 thousand in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method; realized disposal gains of \$400 thousand; an increase of \$703 thousand in investments accounted for using the equity method; realized gross profit from upstream transactions of \$544,693 thousand, and changes in ownership equity of subsidiaries in the amount of \$55 thousand.

Note 2: Represents a decrease in cash dividends.

Note 3: Represents an increase in realized gross profit from upstream transactions.

Note 4: Represents a decrease of \$12,951 thousand in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method; and a decrease of \$6,975 thousand due to foreign currency translation adjustments.

Note 5: Represents a decrease in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method.

Note 6: Represents an increase in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method.

Note 7: Represents a decrease in cash dividends.

Note 8: Represents an increase of \$191,725 thousand in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method; realized disposal gains of \$494 thousand, realized gross profit from upstream transactions of \$15,374 thousand, and an increase of \$1,162 thousand in investments accounted for using the equity method.

Note 9: Represents a decrease in changes in ownership equity of subsidiaries.

Note 10: Represents an increase in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method.

Note 11: Represents a decrease due to disposal of subsidiaries.

Note 12: Represents an increase of \$349,450 thousand in investments accounted for using the equity method; bargain purchase gains of \$18,405 thousand; and an increase of \$1,314 thousand due to foreign currency translation adjustments.

Note 13: Represents a decrease in the share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method.

Century Iron And Steel Industrial Co., Ltd.

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

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	As of January 1, 2025	Additions	Disposals	Reclassification	As of December 31, 2025	Note
Cost:						
Land	\$48,763	\$-	\$-	\$-	\$48,763	
Accumulated Depreciation:						
Land	29,037	6,396	-	-	35,433	
Net carrying amount:	<u>\$19,726</u>				<u>\$13,330</u>	

Century Iron And Steel Industrial Co., Ltd.

10. Statement of Short - Term Loans

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Type	Description	As of December 31, 2025	Contract Period	Interest Rates	Financing amount	Collateral	Note
Letter of credit loans	CTBC Bank Co., Ltd.	\$163,442	2025.10.01~2026.06.29	1.89%~1.95%	\$500,000	None	The relevant assets were provided as security or the pledge, please refer to Note 8.
Unsecured loans	CTBC Bank Co., Ltd.	\$150,000	2025.08.27~2026.02.11	1.85%	500,000	None	
Unsecured loans	First Commercial Bank	1,027,000	2025.09.01~2026.09.01	1.89%	1,027,000	None	
Unsecured loans	Taipei Fubon Commercial Bank Co., Ltd	200,000	2025.10.30~2026.02.25	1.89%	200,000	None	
Unsecured loans	HSBC Bank (Taiwan) Limited	300,000	2025.12.11~2026.02.25	1.95%	300,000	None	
Unsecured loans	Far Eastern International Bank	300,000	2025.12.09~2026.03.05	1.93%	300,000	None	
Total		<u>\$2,140,442</u>					

Century Iron And Steel Industrial Co., Ltd.

11.Statement of Contract Liabilities

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name	Amount	Note
Fuyu Construction Co., Ltd.	\$25,032	1. The contract liabilities in the left column were due to construction project.
ASIA WORLD ENGINEERING & CONSTRUCTION CO.,Ltd	23,422	
Vanden Construction Co., Ltd	10,459	2. The amount of individual account included in others didn't exceed 5% of the account balance.
FENG YU CONSTRUCTION CO., LTD.	6,368	
JIN JYUN CONSTRUCTION CO., LTD./ JAPAN TAISEI CORPORATION TAIWAN BRANCH	5,459	
Sidley Austin Construction Co., Ltd/SAINT LAND CONSTRUCTION ENGINEERING CORP.	5,346	
YOW JINN TECHNOLOGY CO., LTD.	4,706	
Others	5,014	
Total	<u>\$85,806</u>	

Century Iron And Steel Industrial Co., Ltd.

12. Statement of Notes Payable

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
CHINA STEEL CORPORATION	\$120,053	The amount of individual vendor included in others did not exceed 5% of the account balance and not related party transactions.
HOI LUNG ENGINEERING LIMITED	9,507	
Xingye Industrial Co., Ltd	8,766	
Others	20,146	
Total	<u>\$158,472</u>	

Century Iron And Steel Industrial Co., Ltd.

13. Statement of Account Payable

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Vendor Name	Amount	Note
Hsin Kuang Steel Co., Ltd.	\$58,115	The amount of individual vendor included in others did not exceed 5% of the account balance and not related party transactions.
Shixin Steel Co., Ltd	18,950	
Others	<u>241,242</u>	
Total	<u><u>\$318,307</u></u>	

Century Iron And Steel Industrial Co., Ltd.

14. Statement of Other Payables

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item/Vendor name	Amount	Note
Accrued payable		
Salaries payable	\$48,070	
Interest payable	7,423	
Remuneration payable to employees and directors	97,715	
Others	105,635	
Subtotal	<u>258,843</u>	
Payable on equipment		
HOI LUNG ENGINEERING LIMITED	\$1,264	The amount of individual vendor included in others did not exceed 5% of the account balance.
Others	4,247	
Subtotal	<u>5,511</u>	
Total	<u><u>\$264,354</u></u>	

Century Iron And Steel Industrial Co., Ltd.

15. Statement of Changes in Current Income Tax Liabilities

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
As of January 1, 2025	\$219,909	
Plus: Income tax For the year ended December 31, 2025	15,015	
Less: Payment for income tax incurred in 2024	(228,517)	
Adjustment in respect of current income tax of prior period	(3,944)	
Current provisional and interest withholding tax	(2,463)	
As of December 31, 2025	<u> </u> <u> </u> \$-	

Century Iron And Steel Industrial Co., Ltd.

16.Statement of Corporate Bond Payable

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Bond Name	Trustee	Issue Date	Interest payment date	Interest Rate	Amount			Repayment Method	Guarantee Situation	Note
					Total Issuance	Converted or Redeemed	As of December 31, 2025			
The seventh domestic unsecured conversion of corporate bonds	SinoPac Securities Corporation	2024.10.28	-	-%	4,000,000	-	4,000,000	Convert according to prescribed conversion method, please refer to Note 6(17).	None	
The eighth domestic unsecured conversion of corporate bonds	SinoPac Securities Corporation	2024.11.08	-	-%	2,096,400	-	2,096,400	Convert according to prescribed conversion method, please refer to Note 6(17).	None	
Less : Discount on bonds payable							(243,978)			
Less: Corporate bonds that mature within one year or one operating cycle or that have put-back rights exercised							-			
Net Amount							<u>\$5,852,422</u>			

Century Iron And Steel Industrial Co., Ltd.

17. Statement of Lease Liabilities

As of December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Period	Discount rate	As of December 31, 2025	Note
Land	2017.06.01-2030.12.31	1.251%~2.237%	\$14,317	
Buildings	2019.08.19-2029.08.19	1.926%	371,496	
Total			385,813	
Less: current portion of lease liabilities			(106,379)	
Non-current portion of lease liabilities			\$279,434	

Century Iron And Steel Industrial Co., Ltd.

18. Statement of Operating Revenues

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Quantity (tons)	Amount	Note
Steel structure and assembly income	18,352	\$1,296,003	
Sales revenue	49,570	1,656,816	
Other operating revenue	-	2	
Total		<u>\$2,952,821</u>	

Century Iron And Steel Industrial Co., Ltd.

19. Statement of Operating Costs

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Engineering cost		
Direct materials	\$626,997	
Direct labor	66,026	
Manufacturing overhead	457,674	
Construction cost	27,142	
Subtotal	1,177,839	
Add: Construction in progress at the beginning of the year	19,221,311	
Net construction benefits recognized during the year	1,334,461	
Construction costs for the year	1,397,756	
Less: Construction in progress at the end of the year	(13,020,216)	
Completions of construction during the year	(8,933,312)	
Revenue from the sale of scraps	(27,962)	
Subtotal	1,149,877	
Cost of selling steel products and consumables	1,686,725	
Total operating costs	<u>\$2,836,602</u>	

Century Iron And Steel Industrial Co., Ltd.

20. Statement of Sales and Marketing Expenses

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	\$7,423	The amount included in others didn't exceed 5% of the account balance.
Insurance expenses	761	
Others	611	
Total	<u>\$8,795</u>	

Century Iron And Steel Industrial Co., Ltd.

21. Statement of General and Administrative Expenses

For the year ended December 31, 2025

(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	\$110,244	The amount included in others didn't exceed 5% of the account balance.
Depreciation	12,972	
Services expense	10,906	
Miscellaneous	9,057	
Others	35,368	
Total	<u>\$178,547</u>	