

**Billion Electric Co., Ltd. and Subsidiaries**  
**Consolidated Financial Statements and Independent**  
**Auditors' Review Report**

**For the Six Months Ended June 30, 2025 and 2024**

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*The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.*

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## **Independent Auditors' Review Report**

To Board of Directors of Billion Electric Co., Ltd.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Billion Electric Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to form a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would may not detect all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusions**

As stated in Note 6 (8), the equity accounted investments of Billion Electric Co., Ltd. and its subsidiaries in its investee companies of \$23,241 and \$26,396 thousand as of June 30, 2025 and 2024, and the related share of loss of associates and joint ventures accounted for using equity method on these investee companies of \$498 thousand, \$402 thousand, \$1,074 thousand and \$648 thousand for the three months and six months ended June 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

## **Qualified Conclusions**

Based on our review, except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Billion Electric Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Certified Public Accountants Firm

August 7, 2025

## **Notes to Readers**

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Billion Electric Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
June 30, 2025, December 31, 2024 and June 30, 2024

Unit: NT \$thousands

		2025.6.30		2024.12.31		2024.6.30				2025.6.30		2024.12.31		2024.6.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6 (1) and (30))	\$ 507,079	17	660,036	17	964,350	23	2100	Short-term borrowings (note 6 (18), (30) and (33))	\$ 75,000	2	262,855	7	\$ 412,308	10
1110	Current financial assets at fair value through profit or loss (note 6 (2) and (30))	2,988	-	3,126	-	10,458	-	2110	Short-term notes and bills payable (note 6 (17), (30) and (33))	-	-	79,914	2	79,903	2
1136	Current financial assets at amortized cost (note 6 (4), (30) and 8)	103,252	3	124,886	3	121,398	3	2130	Current contract liabilities (note 6 (27) and 7)	192,124	6	684,212	18	514,469	12
1140	Current contract assets (note 6 (27) and 7)	46,939	1	192,149	5	159,434	4	2150	Notes payable (note 6 (30))	303	-	227	-	356	-
1150	Notes receivable, net (note 6 (5), (27) and (30))	1,005	-	10,034	-	6,764	-	2170	Accounts payable (note 6 (30))	120,622	4	106,436	3	275,038	7
1170	Accounts receivable, net (note 6 (5), (27) and (30))	216,486	7	129,073	3	109,114	3	2200	Other payable (note 6 (30))	112,396	4	91,259	2	145,856	3
1180	Accounts receivable - related parties, net (note 6 (5), (27), (30) and 7)	21,602	1	-	-	-	-	2220	Other payable - related parties (note 6 (30) and 7)	-	-	-	-	1,638	-
1200	Other receivables (note 6 (5), (6) and (30))	8,278	-	15,456	-	13,097	-	2230	Current income tax liabilities	17,576	1	19,007	-	21,877	1
1220	Current tax assets	4,422	-	7,034	-	3,697	-	2250	Current provisions (note 6 (21))	-	-	-	-	9,646	-
130X	Inventories (note 6 (7))	427,837	14	286,767	7	324,331	8	2280	Current lease liabilities (note 6 (20), (30) and (33))	14,186	1	15,061	-	16,981	-
1470	Other current assets (note 6 (16))	49,446	2	46,986	1	79,425	2	2320	Current portion of long-term borrowings (note 6 (19), (30) and (33))	1,939	-	24,671	1	29,626	1
1482	Current costs of fulfil a contract (note 6 (27))	190,095	6	848,227	22	968,991	23	2300	Other current liabilities	9,739	-	11,626	-	19,114	-
	<b>Total current assets</b>	1,579,429	51	2,323,774	58	2,761,059	66		<b>Total current liabilities</b>	543,885	18	1,295,268	33	1,526,812	36
<b>Non-current assets:</b>								<b>Non-Current liabilities:</b>							
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (3) and (30))	65,799	2	66,017	2	75,248	2	2540	Long-term borrowings (note 6 (19), (30) and (33))	-	-	1,389	-	28,516	1
1535	Non-current financial assets at amortized cost, net (note 6 (4), (30) and 8)	365,047	12	389,119	10	382,564	9	2570	Deferred tax liabilities	19,077	-	30,583	1	28,394	1
1550	Investments accounted for using equity method (note 6 (8))	23,241	1	24,315	1	26,396	1	2580	Non-current lease liabilities (note 6 (20), (30) and (33))	55,227	2	58,767	2	63,920	2
1600	Property, plant and equipment (note 6 (12), (33) and 8)	822,591	27	835,455	22	710,706	17	2640	Net defined benefit liability, non-current (note 6 (22))	8,663	-	9,377	-	15,613	-
1755	Right-of-use assets (note 6 (13))	66,932	2	71,779	2	79,337	2	2645	Guarantee deposits received	30,087	1	6,482	-	4,931	-
1760	Investment property (note 6 (14))	23,797	1	20,981	1	35,320	1		<b>Total non-current liabilities</b>	113,054	3	106,598	3	141,374	4
1780	Intangible assets (note 6 (15))	48,831	1	53,038	1	9,636	-		<b>Total liabilities</b>	656,939	21	1,401,866	36	1,668,186	40
1840	Deferred tax asset	19,195	1	21,593	1	21,112	-	<b>Equity (note 6 (24)):</b>							
1900	Other non-current assets (note 6 (16))	55,390	2	75,229	2	71,989	2	3110	Ordinary shares	1,160,041	38	1,155,328	30	1,154,638	28
	<b>Total non-current assets</b>	1,490,823	49	1,557,526	42	1,412,308	34	3140	Capital collected in advance	605	-	4,713	-	826	-
										1,160,646	38	1,160,041	30	1,155,464	28
								3200	Capital surplus	687,422	22	692,146	19	693,046	18
									Retained earnings:						
								3310	Legal reserve	227,462	8	227,462	6	227,462	5
								3320	Special reserve	38,678	1	40,765	1	40,765	1
								3350	Unappropriated earnings	31,581	1	45,533	1	84,521	2
										297,721	10	313,760	8	352,748	8
									Other equity:						
								3410	Exchange differences on translation of foreign financial statements	(11,032)	-	5,240	-	3,507	-
								3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(34,745)	(1)	(34,616)	(1)	(25,515)	(1)
								3500	Treasury stock	(24,677)	(1)	(25,057)	(1)	(25,057)	(1)
									<b>Total equity attributable to owners of parent</b>	2,075,335	68	2,111,514	55	2,154,193	52
								36XX	Non-controlling interests	337,978	11	367,920	9	350,988	8
									<b>Total equity</b>	2,413,313	79	2,479,434	64	2,505,181	60
<b>Total assets</b>		<b>\$ 3,070,252</b>	<b>100</b>	<b>3,881,300</b>	<b>100</b>	<b>\$ 4,173,367</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 3,070,252</b>	<b>100</b>	<b>3,881,300</b>	<b>100</b>	<b>\$ 4,173,367</b>	<b>100</b>

(See the attached notes to consolidated financial statements)

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

**Billion Electric Co., Ltd. and Subsidiaries**

**Consolidated Statements of Comprehensive Income**

**For the three months and six months ended June 30, 2025 and 2024**

Unit: NT \$thousands

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6 (27), 7 and 14)	\$ 731,149	100	436,616	100	1,376,523	100	965,554	100
5000	Operating costs (notes 6 (7), (12), (13), (15), (22) and 12)	596,737	82	351,928	81	1,149,758	84	765,420	79
	Gross profit	134,412	18	84,688	19	226,765	16	200,134	21
	Operating expenses (notes 6 (5), (12), (13), (15), (20), (22), (25), (28) and 12)								
6100	Sales expenses	24,629	3	36,739	8	58,552	4	73,391	8
6200	Administrative expenses	65,859	9	46,256	11	112,173	8	84,411	9
6300	Research and development expenses	23,120	3	24,770	6	46,586	3	48,428	5
6450	Expected credit loss (profit)	9,501	1	837	-	7,560	1	(188)	-
	Total operating expenses	123,109	16	108,602	25	224,871	16	206,042	22
	Profit (loss) from operations	11,303	2	(23,914)	(6)	1,894	-	(5,908)	(1)
	Non-operating income and expenses (notes 6 (8), (11), (14), (20) and (29))								
7100	Interest income	5,525	1	10,615	3	11,399	1	18,730	2
7010	Others	4,017	-	5,987	1	61,826	4	12,713	1
7020	Other gains and losses	(71,465)	(10)	9,730	2	(64,397)	(5)	41,944	5
7050	Finance costs	(1,197)	-	(2,895)	(1)	(3,730)	-	(4,831)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	(498)	-	(402)	-	(1,074)	-	(648)	-
	Total non-operating income and expenses	(63,618)	(9)	23,035	5	4,024	-	67,908	7
7900	Profit (loss) before tax	(52,315)	(7)	(879)	(1)	5,918	-	62,000	6
7950	Less: Income tax expenses (note 6 (23))	(1,584)	-	9,754	2	14,163	1	17,602	2
8200	Net income (loss)	(50,731)	(7)	(10,633)	(3)	(8,245)	(1)	44,398	4
8300	Other comprehensive income (loss) (note 6 (23) and (24) and (30))								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (loss) from investments in equity instruments measured at fair value through other comprehensive income	41	-	(316)	-	(218)	-	(316)	-
8349	Less: Income tax related to items that will not be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total items that may not be reclassified subsequently to profit	41	-	(316)	-	(218)	-	(316)	-
8360	Items that will be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(25,622)	(4)	2,906	1	(22,550)	1	13,263	1
8399	Less: Income tax related to items that may be reclassified subsequently to profit or loss	(4,643)	(1)	523	-	(4,112)	-	2,403	-
	Total items that may be reclassified subsequently to profit	(20,979)	(3)	2,383	1	(18,438)	(1)	10,860	1
8300	Other comprehensive income or loss	(20,938)	(3)	2,067	1	(18,656)	(1)	10,544	1
8500	Total comprehensive income or loss	\$ (71,669)	(10)	(8,566)	(2)	(26,901)	(2)	54,942	5
	Net income (loss) attributable to:								
8610	Owners of parent	\$ (52,239)	(7)	(20,476)	(5)	(16,039)	(2)	14,345	1
8620	Non-controlling interests	1,508	-	9,843	2	7,794	1	30,053	3
		\$ (50,731)	(7)	(10,633)	(3)	(8,245)	(1)	44,398	4
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (70,750)	(10)	(18,543)	(4)	(32,440)	(2)	23,800	2
8720	Non-controlling interests	(919)	-	9,977	2	5,539	-	31,142	3
		\$ (71,669)	(10)	(8,566)	(2)	(26,901)	(2)	54,942	5
	Earnings (loss) per share (NT \$) (Note 6 (26))								
9750	Basic earnings (loss) per share	\$ (0.45)		(0.18)		(0.14)		0.13	
9850	Diluted earnings (loss) per share	\$ (0.45)		(0.18)		(0.14)		0.12	

(See the attached notes to consolidated financial statements)

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

**Billion Electric Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2025 and 2024**

Unit: NT \$thousands

Equity attributable to owners of parent												
Share capital			Retained earnings				Other equity					
								Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income or (loss)				
Ordinary share capital	Capital collected in advance	Capital surplus	Statutory earnings surplus reserve	Special surplus reserve	Undistributed surplus	Total retained earnings	Exchange differences on translation of foreign financial statements		Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
\$ 1,154,191	297	692,696	220,288	56,874	103,539	380,701	(6,106)	(25,357)	(25,057)	2,171,365	194,633	2,365,998
-	-	-	-	-	14,345	14,345	-	-	-	14,345	30,053	44,398
-	-	-	-	-	-	-	9,613	(158)	-	9,455	1,089	10,544
-	-	-	-	-	14,345	14,345	9,613	(158)	-	23,800	31,142	54,942
-	-	-	7,174	-	(7,174)	-	-	-	-	-	-	-
-	-	-	-	-	(42,298)	(42,298)	-	-	-	(42,298)	-	(42,298)
-	-	-	-	(16,109)	16,109	-	-	-	-	-	-	-
-	-	122	-	-	-	-	-	-	-	122	(17,502)	(17,380)
150	826	228	-	-	-	-	-	-	-	1,204	67	1,271
-	-	-	-	-	-	-	-	-	-	-	142,648	142,648
297	(297)	-	-	-	-	-	-	-	-	-	-	-
<b>\$ 1,154,638</b>	<b>826</b>	<b>693,046</b>	<b>227,462</b>	<b>40,765</b>	<b>84,521</b>	<b>352,748</b>	<b>3,507</b>	<b>(25,515)</b>	<b>(25,057)</b>	<b>2,154,193</b>	<b>350,988</b>	<b>2,505,181</b>
\$ 1,155,328	4,713	692,146	227,462	40,765	45,533	313,760	5,240	(34,616)	(25,057)	2,111,514	367,920	2,479,434
-	-	-	-	-	(16,039)	(16,039)	-	-	-	(16,039)	7,794	(8,245)
-	-	-	-	-	-	-	(16,272)	(129)	-	(16,401)	(2,225)	(18,656)
-	-	-	-	-	(16,039)	(16,039)	(16,272)	(129)	-	(32,440)	5,539	(26,901)
-	-	-	-	(2,087)	2,087	-	-	-	-	-	-	-
-	-	(5,256)	-	-	-	-	-	-	-	(5,256)	(24,260)	(29,516)
-	605	532	-	-	-	-	-	-	380	1,517	6	1,523
-	-	-	-	-	-	-	-	-	-	-	(11,227)	(11,227)
4,713	(4,713)	-	-	-	-	-	-	-	-	-	-	-
<b>\$ 1,160,041</b>	<b>605</b>	<b>687,422</b>	<b>227,462</b>	<b>38,678</b>	<b>31,581</b>	<b>297,721</b>	<b>(11,032)</b>	<b>(34,745)</b>	<b>(24,677)</b>	<b>2,075,335</b>	<b>337,978</b>	<b>2,413,313</b>

(See the attached notes to consolidated financial statements)

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

**Billion Electric Co., Ltd. and Subsidiaries**

**Consolidated Statements of Cash Flows**

**For the six months ended June 30, 2025 and 2024**

Unit: NT \$thousands

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 5,918	62,000
<b>Adjustments:</b>		
Income and expense items		
Depreciation	31,911	27,859
Amortization	4,721	1,268
Expected credit loss (gain)	7,560	(188)
Net gain on financial assets at fair value through profit or loss	(211)	(1,319)
Interest expense	3,730	4,831
Interest income	(11,399)	(18,730)
Dividend income	(2)	-
Share-based payment transactions	11,250	236
Share of loss of associates accounted for using equity method	1,074	648
Gain on disposal of property, plant and equipment	(8)	(329)
Gain on disposal of subsidiary	(13)	-
Unrealized foreign exchange loss (gain)	57,060	(33,599)
Total income and expense items	105,673	(19,323)
<b>Changes in operating assets and liabilities:</b>		
Financial assets mandatorily measured at fair value through profit or loss	29	25,252
Contract assets	145,210	(90,458)
Notes receivable	9,029	10,216
Accounts receivable	(102,320)	14,253
Accounts receivable – related party	(21,602)	-
Other receivables	5,772	8,107
Inventories	(142,579)	12,976
Other current assets	(5,199)	(18,259)
Costs of fulfill a contract	658,132	(149,678)
Current contract liabilities	(495,093)	(70,727)
Notes payable	76	(1,653)
Accounts payable	14,897	86,633
Other payable	(6,214)	(4,556)
Other current liabilities	1,206	3,854
Net defined benefit liability	(714)	(555)
Total adjustments	166,303	(193,918)

**(See the attached notes to consolidated financial statements)**



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

**Billion Electric Co., Ltd. and Subsidiaries**

**Consolidated Statements of Cash Flows**

**For the six months ended June 30, 2025 and 2024**

Unit: NT \$thousands

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Cash flows (outflow) generated from operations	\$ 172,221	\$ (131,918)
Interest received	12,622	16,635
Interest paid	(3,799)	(4,879)
Income taxes paid	(17,788)	(24,803)
<b>Net cash flows from (used in) operating activities</b>	<b>163,256</b>	<b>(144,965)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at amortized cost	-	(53,301)
Proceeds from sale of financial assets at amortized cost	41,041	-
Disposal of subsidiaries	42,996	-
Acquisition of property, plant and equipment	(12,878)	(11,167)
Proceeds from disposal of property, plant and equipment	432	329
Acquisition of intangible assets	(514)	(2,777)
Cash inflows generated from the merger	-	27,615
Increase in other non-current assets	(32,945)	(6,394)
Dividends received	2	155
<b>Net cash flows from (used in) investing activities</b>	<b>38,134</b>	<b>(45,540)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans	(187,855)	248,608
Increase (decrease) in short-term notes and bills payable	(79,914)	50,005
Increase in long-term borrowings	-	7,900
Decrease in long-term borrowings	(24,121)	(14,453)
Increase in guarantee deposits received	23,605	2,841
Payment of lease liabilities	(8,119)	(7,575)
Proceeds from employee stock options	1,062	1,035
Treasury stock transferred to employees	380	-
Acquisition of subsidiary equity	(32,704)	(18,380)
Disposal of ownership interests in subsidiaries (without losing control)	3,188	1,000
<b>Net cash flows from (used in) financing activities</b>	<b>(304,478)</b>	<b>270,981</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(49,869)</b>	<b>34,214</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(152,957)</b>	<b>114,690</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>660,036</b>	<b>849,660</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 507,079</b>	<b>964,350</b>

(See the attached notes to consolidated financial statements)

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**

**Billion Electric Co., Ltd. and Subsidiaries**

**Notes to the Consolidated Financial Statements**

For the six months ended June 30, 2025 and 2024

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

**1. Company History**

Billion Electric Co. Ltd. (the “Company”) was approved to be established on March 26, 1973. The main operating businesses of the Company and its subsidiaries (collectively referred herein as the “Group”) are the manufacturing of electronic components, design, manufacturing and sales of Integrated Services Digital Network (ISDN) equipment, broadband communication network terminal equipment and systems (ADSL), and broadband routers (Router), as well as renewable energy self-use power generation and energy technology services.

**2. Date and Procedures of Authorization of Financial Statements**

The consolidated financial statements were adopted and issued by the Board of Directors on August 7, 2025.

**3. Applicability of Newly Issued and Revised Standards and Interpretations**

- (1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025.

- Amendment to IAS 21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 regarding “Amendments to the Classification and Measurement of Financial Instruments” — specifically, the application guidance under Section 4.1 of IFRS 9 and the related disclosure requirements under IFRS 7

- (2) The impact of not yet adopting the IFRSs recognized by the FSC

The Group has assessed the applicability of the following newly amended IFRSs, effective from January 1, 2026, and determined that they will not have a significant impact on the consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(3) Newly issued and amended standards and interpretations not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New/Revised Standards	Major Amended Content	Effective date Announced by the International Accounting Standards Board
Amendments to IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standards introduce three types of income and expenses, two subtotals for the income statement, and a single note regarding performance measures used by management. These three amendments, which strengthen the standards on how information is disaggregated in financial statements, lay the foundation for providing users with better and more consistent information, and will impact all companies.</p> <ul style="list-style-type: none"> <li>● More structured income statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introducing a new subtotal called “operating profit,” and require that all income and expenses be categorized into three new types based on the company’s main operating activities.</li> </ul>	January 1, 2027

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

New/Revised Standards	Major Amended Content	Effective date Announced by the International Accounting Standards Board
	<ul style="list-style-type: none"> <li>● Management Performance Measures (MPMs): The new standard introduces the definition of management performance measures and requires companies to explain in a single note to the financial statements for each measure why it provides useful information, how it is calculated, and how it reconciles with amounts recognized under International Financial Reporting Standards (IFRS).</li> <li>● More disaggregated information: The new standard includes guidance for companies on how to enhance the disaggregation of information in financial statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.</li> </ul>	

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendment to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 4. Summary of Significant Accounting Policies

### (1) Statement of compliance

The Consolidated Financial Report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Preparation Regulations”) and International Accounting Standard 34 “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission (FSC). The Consolidated Financial Report does not include all the necessary information required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretive Announcements approved and issued into effect by the FSC (hereinafter referred to as the “IFRSs approved by the FSC”).

Except as described below, the significant accounting policies adopted in the consolidated financial report are consistent with those of the consolidated financial statements for the year ended December 31, 2024. For relevant information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

### (2) Basis of consolidation

#### 1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of Subsidiary	Main business activities	Ownership (%)			Explanation
			2025.6.30	2024.12.31	2024.6.30	
The Company	BEC Technologies Inc. (BEC Technologies)	Sales businesses of telecommunication related products	91.76%	91.76%	91.76%	
The Company	Billion Watts Technologies Co., Ltd. (Billion Watts)	Provision of solar energy and energy storage solution services, power plant maintenance and management services	61.98%	62.14%	59.74%	Note 1
The Company	Billion Energy Storage Technologies Inc. (Billion Energy)	Energy Storage Sales business	100.00%	100.00%	100.00%	
The Company	Pacific Solar Limited (Pacific)	International investment	100.00%	100.00%	100.00%	Note 2
The Company	Billion EVC Technologies Co., Ltd. (Billion EVC)	Distribution services of solar power plant equipment and EV chargers	51.00%	51.00%	51.00%	
The Company	Billion Electric Holding Co., Ltd. (Billion Electric Holding)	Investment company	100.00%	100.00%	100.00%	
The Company	Billion EV Charging Technologies Co., Ltd. (Billion EV Charging)	Community charging piles and energy storage supply services	100.00%	100.00%	100.00%	
The Company	Billion Kai Co., Ltd. (Billion Kai)	Design, manufacturing, and sales business of solar power plant.	100.00%	100.00%	100.00%	
The Company	Billion Electric Japan Co., Ltd. (Billion Electric JP)	Sales businesses of telecommunication related products	-%	100.00%	100.00%	Note 3
The Company	Noonspare Energy Technology Co., Ltd. (Noonspare)	Design and manufacturing of lithium battery modules, integration of residential and commercial/industrial energy storage systems, and energy technology services.	58.58%	49.89%	49.89%	Note 4

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Name of investor	Name of Subsidiary	Main business activities	Ownership (%)			Explanation
			2025.6.30	2024.12.31	2024.6.30	
The Company	Billion Sun Energy Storage Technologies Inc. (Billion Sun)	Energy Storage Sales	-%	100.00%	-%	Note 5
BEC Technologies Inc.	BEC International, LLC (BEC International)	International investment	100.00%	100.00%	100.00%	
BEC Technologies Inc.	Avantek Systems PTE. LTD (AVANTEK SYSTEMS)	Cloud software management services	75.00%	75.00%	75.00%	
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc. (Billion Power System)	Design of energy storage software and sales businesses	51.00%	51.00%	51.00%	
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd. (Sheng Chuang Energy)	Energy storage sales business	100.00%	100.00%	-%	Note 6
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd. (Billion Electric JP)	Sales businesses of telecommunication related products	100.00%	-%	-%	Note 3
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd. (BW AU)	Energy storage sales business	100.00%	-%	-%	Note 7
Billion Watts Technologies Co., Ltd.	Billion AU Holing Pty Ltd. (AU Holding)	Energy storage sales business	100.00%	-%	-%	Note 8
Billion Electric Holding Co., Ltd.	Billion Sun Energy Storage Technologies Inc. (Billion Sun)	Energy Storage Sales business	-%	-%	100.00%	Note 5
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd. (Billion Energy)	Energy storage sales business	100.00%	-%	-%	Note 9
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd. (BL Anakie)	Energy storage sales business	100.00%	-%	-%	Note 10
BL Anakie Solar Pty Ltd.	BL Anakie Solar Nominees Pty Ltd. (BL Anakie Solar Nominees)	Energy storage sales business	100.00%	-%	-%	Note 11

Note 1: The Company disposed of 25 thousand shares, leading to a further decrease in its shareholding ratio from 62.14% to 61.98%.

Note 2: Pacific was registered in March 2020. As of June 30, 2025, the Company has not invested any capital in it.

Note 3: Billion Electric JP was established in January 2024. The Group adjusted its organizational structure in March 2025, and transferred its 100.00% equity originally held by the Company to Billion Watts.

Note 4: Noonspare was established in October 2018. The Company acquired 49.89% of its shares in April 2024. For the three months ended March 31, 2025, the Company acquired 2,415 thousand shares and disposed of 36 thousand shares, for the three months ended June 30, 2025, the Company disposed of 115 thousand shares, respectively, resulting in an increase in the Company's shareholding ratio from 49.89% to 58.58%.

Note 5: The Group adjusted its organizational structure in August 2024, and transferred its 100.00% equity interest in Billion Sun, originally held by Billion Electric Holding, to the Company. In March 2025, the Group entered into a share transfer agreement with Foxwell Power Co., Ltd., and the transaction was completed in April 2025. Please refer to Note 6(11) for further details.

Note 6: Sheng Chuang Energy was established in December 2024, and Billion Watts acquired 100.00% shareholding, and it was incorporated into the consolidated financial statements.

Note 7: The Group acquired 100.00% equity interest in BW AU in January 2025. As of June 30, 2025, the Group has not invested any capital in it.

## **Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

Note 8: The Group acquired 100.00% equity interest in AU Holding in January 2025. As of June 30, 2025, the Group has not invested any capital in it.

Note 9: Billion Energy was established in February 2025. As of June 30, 2025, the Group has not invested any capital in it.

Note 10: The Group acquired 100% equity interest in BL Anakie in March 2025, and it was incorporated into the consolidated financial statements.

Note 11: The Group acquired 100% equity interest in BL Anakie Solar Nominees in March 2025, and it was incorporated into the consolidated financial statements.

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

### **(3) Business combinations**

The Group accounts for each business combination using the acquisition method. Goodwill is measured as the excess of the fair value of the consideration transferred, including the amount of any non-controlling interests in the acquiree, over the net of the fair value of the identifiable assets acquired and the liabilities assumed. If the excess is negative, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and recognizes the resulting gain on a bargain purchase in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group recognizes provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts or recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed at the acquisition date. The measurement period shall not exceed one year from the acquisition date.

### **(4) Employee benefits**

For the defined benefit retirement plan during the interim period, the retirement benefit costs are calculated using the retirement benefit cost rate determined by actuarial calculations from the previous reporting date as a basis, covering the period from the beginning of the year to the end of the current interim period, and adjusted for significant market fluctuations, significant curtailments, settlements or other significant one-time events occurring after the reporting date.

### **(5) Income tax**

The Group measure and disclose interim income tax expenses in accordance with paragraph B12 of International Accounting Standard 34 “Interim Financial Reporting”.

Income tax expense is measured by multiplying the pre-tax net income for the interim reporting period by management’s best estimate of the expected effective annual tax rate.

## 5. Significant accounting assumptions and judgements, and major sources of estimation uncertainty

According to the IAS 34 “Interim Financial Reporting” approved by the FSC, the Management must make about the future (including climate-related risks and opportunities) judgments and estimates in preparing the Group only financial statement that will have an impact on the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from the estimates.

When preparing the consolidated financial statements, the significant judgments made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty are consistent with those in Note 5 of the consolidated financial statements for the fiscal year 2024.

## 6. Explanation of significant accounts

Except as described below, the significant accounting policies adopted in the consolidated financial report are consistent with those of the consolidated financial statements for the year ended December 31, 2024. For relevant information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2024.

### (1) Cash and cash equivalents

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Petty cash	\$ 638	543	894
Bank deposits	381,524	361,226	644,498
Time deposits	41,624	69,857	199,672
Repurchase agreements collateralized by bonds	83,293	228,410	119,286
	<b>\$ 507,079</b>	<b>660,036</b>	<b>964,350</b>

For the disclosure of interest rate risk and sensitivity analysis of the Group’ financial assets and liabilities, please refer to Note 6(30).

### (2) Financial assets at fair value through profit or loss-current

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Financial assets at fair value through profit or loss:			
Non-derivative financial assets			
Foreign listed stock	\$ 1,310	1,367	4,977
Fund beneficiary certificates	1,678	1,759	5,481
Total	<b>\$ 2,988</b>	<b>3,126</b>	<b>10,458</b>



# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (3) Financial assets at fair value through other comprehensive income-non-current

	2025.6.30	2024.12.31	2024.6.30
Equity instruments at fair value through other comprehensive income:			
Domestic emerging markets stocks \$	5,398	-	-
Domestic unlisted stocks	60,401	66,017	75,248
	<b>\$ 65,799</b>	<b>66,017</b>	<b>75,248</b>

These equity instrument investments held by the Group are long-term strategic investments and are not held for trading purposes; therefore, they have been designated to be measured at fair value through other comprehensive income.

## (4) Financial assets measured at amortized cost

	2025.6.30	2024.12.31	2024.6.30
Current			
Time deposits	\$ 72,016	86,526	73,710
Restricted bank deposits	31,236	38,360	147,688
	<b>\$ 103,252</b>	<b>124,886</b>	<b>121,398</b>
Non-current			
Time deposits	\$ 10,500	-	-
Restricted bank deposits	354,547	389,119	382,564
	<b>\$ 365,047</b>	<b>389,119</b>	<b>382,564</b>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the details of the Group's collateral provided for short-term and long-term loans and credit facilities are disclosed in Note 8.

## (5) Notes and accounts receivable

	2025.6.30	2024.12.31	2024.6.30
Notes receivable	\$ 1,005	10,034	6,764
Accounts receivable	227,538	133,734	110,796
Accounts receivable – related parties	21,602	-	-
Less: loss allowances	(11,052)	(4,661)	(1,682)
	<b>\$ 239,093</b>	<b>139,107</b>	<b>115,878</b>

The Group adopt a simplified approach to the estimate the expected credit losses for all notes and accounts receivable, that is, it is measured using the expected credit losses during the lifetime, and for this purpose, these notes and accounts receivable are grouped according to the common credit risk characteristics representing the ability of customer to pay all amounts due under the terms of contract, and the loss rate established by historical and realistic information for a specific period is considered forward-looking.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Analysis of expected credit losses of notes and accounts receivable of the Group is as follows:

	<b>2025.6.30</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Expected weighted average credit loss rate</b>	<b>Allowance duration expected credit losses</b>
Not past due	\$ 239,093	0%	\$ -
Past due over 121 days	11,052	100%	11,052
	<b>\$ 250,145</b>		<b>\$ 11,052</b>

	<b>2024.12.31</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Expected weighted average credit loss rate</b>	<b>Allowance duration expected credit losses</b>
Not past due	\$ 139,107	0%	\$ -
Past due over 121 days	4,661	100%	4,661
	<b>\$ 143,768</b>		<b>\$ 4,661</b>

	<b>2024.6.30</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Expected weighted average credit loss rate</b>	<b>Allowance duration expected credit losses</b>
Not past due	\$ 115,878	0%	\$ -
Past due over 121 days	1,682	100%	1,682
	<b>\$ 117,560</b>		<b>\$ 1,682</b>

The movement in the allowance for notes and accounts receivable of the Group is as follows:

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 4,661	1,895
Impairment loss recognized	7,560	-
Reversal of impairment loss	-	(188)
Amounts written off as uncollectible	(74)	(115)
Foreign exchange gains and losses	(1,095)	90
Ending balance	<b>\$ 11,052</b>	<b>1,682</b>

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not have any notes receivable or accounts receivable pledged as collateral.

The Group enter into non-recourse accounts receivable sale agreements with financial institutions. Since the Group have transferred virtually all risks and rewards to the ownership of the accounts receivable and have no ongoing participation in them, it is eligible for the exclusion of financial assets. When accounts receivable claims are derecognized, claims against financial institutions are reported to other receivables. Information relating to the accounts receivable for sale that are not due as of the reporting date is as follows:

2024.6.30					
Sale object	Derecogniti on amount	Yet to be advanced amount	Advanced amount	Transferred to other accounts receivables	Range of interest rates
Hua Nan Bank	\$ 52	-	-	52	Note 1 to Note 4

Note 1: Guarantee that the subject matter being purchased is legal and actually exists, and that no third party can claim any rights.

Note 2: Guarantee that the subject matter being purchased has no offsets, pledges, or restrictions on transfer, and that it is an accounts receivable debt with a determined amount.

Note 3: Guarantee that transactions involving sales contracts, service contracts, or other debt agreements are conducted in a normal and lawful manner. Furthermore, there are no sufficient grounds or defenses that would extinguish or hinder the rights of the financial institutions acquiring the accounts receivable.

Note 4: Guarantee that there are no control subordinate relationship or other improper commercial interests with the accounts receivable subject during the current and future validity period of the contract.

### (6) Other receivables

	2025.6.30	2024.12.31	2024.6.30
Payments on behalf of others receivable	\$ 156,170	174,745	172,960
Business tax refund receivable	492	3,889	406
Factoring of accounts receivable	-	-	52
Interest receivable	1,512	2,736	5,430
Other	6,274	8,831	7,209
Less: loss allowances	(156,170)	(174,745)	(172,960)
	<u>\$ 8,278</u>	<u>15,456</u>	<u>13,097</u>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

The movement allowance for other receivables of the Group is as follows:

	For the six months ended June 30	
	2025	2024
Beginning balance	\$ 174,745	163,659
Foreign exchange gains and losses	(18,575)	9,301
Ending balance	<u>\$ 156,170</u>	<u>172,960</u>

For further credit risk information, please refer to note 6 (30).

## (7) Inventories

	2025.6.30	2024.12.31	2024.6.30
Raw materials and supplies	\$ 34,316	32,819	55,398
Work in progress	11,928	8,913	5,236
Finished goods	45,104	42,699	23,979
Merchandise inventory	336,489	202,336	239,718
	<u>\$ 427,837</u>	<u>286,767</u>	<u>324,331</u>

Details of operating costs are as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Cost of goods sold	\$ 576,556	360,034	1,075,527	760,249
Loss on inventory market value decline (Reversal Gain)	5,120	(15,612)	52,224	(11,931)
Inventory Write-off Loss	68	260	699	260
Operating costs of solar energy and energy storage	14,993	7,246	21,308	16,842
	<u>\$ 596,737</u>	<u>351,928</u>	<u>1,149,758</u>	<u>765,420</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, no inventories of the Group were pledged as collateral.

## (8) Investments accounted for using equity method

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	2025.6.30	2024.12.31	2024.6.30
Carrying amount of individually insignificant associates' equity	<u>\$ 23,241</u>	<u>24,315</u>	<u>26,396</u>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Attributable to the Group				
Net loss	\$ (498)	(402)	(1,074)	(648)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>\$ (498)</u>	<u>(402)</u>	<u>(1,074)</u>	<u>(648)</u>

## 1. Guarantee

No investments accounted for using the equity method were pledged as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024.

## 2. Investments accounted for using the equity method

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed.

## (9) Business combination

The Group acquires the following companies to develop its energy storage related business.

Company Name	Major operating activities	Date of Acquisition	Acquisition Ratio	Transfer consideration fair value
Noonspare Energy Technology Co., Ltd.	Design and manufacturing of lithium battery modules, integration of residential and commercial/industrial energy storage systems, and energy technology services.	2024.04.01	49.89%	\$ 118,370

The main types of transfer consideration, assets acquired and liabilities assumed on the acquisition date and the amounts admitted are as follows:

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

1. The fair values of the major types of transfer consideration at the acquisition date are as follows:

2024:

	<b>Noonspare Energy Technology Co., Ltd.</b>
Transfer Consideration	
Cash	<b>\$ 188,370</b>
2. The fair value of identifiable net assets acquired and liabilities assumed:	
	<b>Noonspare Energy Technology Co., Ltd.</b>
Cash and cash equivalents	\$ 215,985
Accounts receivable and other receivables	4,580
Inventory	1,570
Current tax assets	52
Other current assets	5,450
Property, plant, and equipment	92,772
Financial assets at fair value through other comprehensive income	6,283
Right-of-use asset	302
Intangible assets	32,419
Other non-current assets	6,810
Short-term loans	(15,000)
Contract liabilities - current	(3,496)
Notes payable, accounts payable and other payables	(8,699)
Lease liabilities - current	(305)
Other current liabilities	(113)
Total	<b>\$ 338,610</b>

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

### 3. Goodwill

The goodwill recognized as a result of the acquisition is as follows:

	Noonspare Energy Technology Co., Ltd.
Transfer Consideration	\$ 188,370
Add: Non-controlling interest	169,669
Less: Fair value of identifiable net assets	(338,610)
	<u>\$ 19,429</u>

#### (10) Change of Ownership Interest in Subsidiaries

1. The changes in the Group's interest in subsidiaries for the period from January 1 to June 30, 2025 and transactions without changing control of said subsidiaries are as follows:

In March 2025, the Group disposed of 25 thousand shares of Billion Watts Technologies Co., Ltd. at a price of \$40 per share, totaling \$1,000 thousand, resulting in a decrease in the Group's ownership from 62.14% to 61.98%.

In March 2025, the Group repurchased 2,415.36 thousand shares of Noonspare Energy Technology Co., Ltd. from non-controlling interests at a price of \$13.54 per share, totaling \$32,704 thousand. In addition, in March 2025, the Group disposed of 36 thousand shares of Noonspare Energy Technology Co., Ltd. at a price of \$14.49 per share, totaling \$522 thousand, resulting in an increase in the Group's ownership from 49.89% to 59.02%.

In April 2025, the Group disposed of 115 thousand shares of Noonspare Energy Technology Co., Ltd. at a price of \$14.49 per share, totaling \$1,666 thousand, resulting in a decrease in the Group's ownership from 59.02% to 58.58%.

2. The changes in the Group's interest in subsidiaries for the period from January 1 to June 30, 2024 and transactions without changing control of said subsidiaries are as follows:

In March 2024, the Group disposed of 25 thousand shares of Billion Watts Technologies Co., Ltd. at a price of \$40 per share, totaling NT\$1,000 thousand, resulting in a decrease in the Group's ownership from 59.82% to 59.64%.

In April 2024, the Group repurchased 6.25 and 7 thousand shares of Billion Watts Technologies Co., Ltd. from employees at prices of \$40 and \$48 per share,

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

respectively, totaling \$586 thousand, resulting in an increase in the Group's ownership from 59.64% to 59.74%.

In March 2024, the Group repurchased 2,000 thousand shares of Billion EV Charging Technologies Co., Ltd. from the original shareholders, totaling \$17,794 thousand, resulting in an increase in the Group's ownership from 60.00% to 100.00%.

### (11) Disposal of subsidiaries

On March 7, 2025, the Group entered into a share transfer agreement with Foxwell Power Co., Ltd. with the share transfer completion date on April 1, 2025. The Group sold all of its equity interests in its subsidiary, Billion Sun Energy Storage Technologies Inc., for \$46,815 thousand. Following the completion of the transaction, the Group lost control over Billion Sun Energy Storage Technologies Inc.

#### 1. Consideration received from disposals

Cash and cash equivalents

<u>April 1, 2025</u>	
<b>Billion Sun Energy Storage Technologies Inc.</b>	
<b>\$</b>	<b>46,815</b>

#### 2. Analysis of assets and liabilities on the date control was lost

Net assets disposed of

<b>Billion Sun Energy Storage Technologies Inc.</b>	
<b>\$</b>	<b>46,802</b>

#### 3. Gain on disposal of subsidiaries

Consideration received

Net assets disposed of

Gain on disposals

<b>Billion Sun Energy Storage Technologies Inc.</b>	
<b>\$</b>	<b>46,815</b>
	<b>46,802</b>
<b>\$</b>	<b>13</b>

#### 4. Net cash inflow on disposals of subsidiaries

Consideration received in cash and cash equivalents

Less: Cash and cash equivalent balances disposed of

<b>Billion Sun Energy Storage Technologies Inc.</b>	
<b>\$</b>	<b>46,815</b>
	<b>(3,819)</b>
<b>\$</b>	<b>42,996</b>



# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (12) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

			Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
	Land	Building						
Cost :								
Balance as of January 1, 2025	\$ 340,260	219,494	184,745	7,113	37,931	326,746	-	1,116,289
Additions	-	-	2,475	329	231	10,573	-	13,608
Disposals	-	-	(31)	(639)	(180)	(1,614)	-	(2,464)
Reclassified	-	(5,404)	4,975	-	-	1,902	-	1,473
Effect of exchange rate changes	(1,642)	(6,701)	-	(125)	(936)	-	-	(9,404)
Balance as of June 30, 2025	<b>\$ 338,618</b>	<b>207,389</b>	<b>192,164</b>	<b>6,678</b>	<b>37,046</b>	<b>337,607</b>	<b>-</b>	<b>1,119,502</b>
Balance as of January 1, 2024	\$ 200,288	164,783	89,211	6,890	33,917	304,003	-	799,092
Additions	-	820	5,725	-	868	4,434	-	11,847
Disposals	-	(861)	-	-	(10)	(973)	-	(1,844)
Reclassified	19,721	10,799	-	-	-	6,610	-	37,130
Acquisition by merger	-	-	89,391	109	2,756	13,337	-	105,593
Effect of exchange rate changes	823	3,356	-	96	455	-	-	4,730
Balance as of June 30, 2024	<b>\$ 220,832</b>	<b>178,897</b>	<b>184,327</b>	<b>7,095</b>	<b>37,986</b>	<b>327,411</b>	<b>-</b>	<b>956,548</b>
Depreciation :								
Balance as of January 1, 2025	\$ -	73,447	57,982	5,958	31,406	112,041	-	280,834
Depreciation	-	2,969	6,345	251	1,256	12,315	-	23,136
Disposals	-	-	(31)	(215)	(180)	(1,614)	-	(2,040)
Reclassified	-	(2,364)	-	-	-	-	-	(2,364)
Effect of exchange rate changes	-	(1,583)	-	(192)	(880)	-	-	(2,655)
Balance as of June 30, 2025	<b>\$ -</b>	<b>72,469</b>	<b>64,296</b>	<b>5,802</b>	<b>31,602</b>	<b>122,742</b>	<b>-</b>	<b>296,911</b>
Balance as of January 1, 2024	\$ -	62,157	38,388	5,519	27,805	75,164	-	209,033
Depreciation	-	2,361	4,105	299	1,121	13,023	-	20,909
Disposals	-	(861)	-	-	(10)	(973)	-	(1,844)
Reclassified	-	3,713	-	(292)	-	292	-	3,713
Acquisition by merger	-	-	9,452	43	1,052	2,274	-	12,821
Effect of exchange rate changes	-	690	-	96	424	-	-	1,210
Balance as of June 30, 2024	<b>\$ -</b>	<b>68,060</b>	<b>51,945</b>	<b>5,665</b>	<b>30,392</b>	<b>89,780</b>	<b>-</b>	<b>245,842</b>
Carrying Value :								
June 30, 2025	<b>\$ 338,618</b>	<b>134,920</b>	<b>127,868</b>	<b>876</b>	<b>5,444</b>	<b>214,865</b>	<b>-</b>	<b>822,591</b>
December 31, 2024	<b>\$ 340,260</b>	<b>146,047</b>	<b>126,763</b>	<b>1,155</b>	<b>6,525</b>	<b>214,705</b>	<b>-</b>	<b>835,455</b>
June 30, 2024	<b>\$ 220,832</b>	<b>110,837</b>	<b>132,382</b>	<b>1,430</b>	<b>7,594</b>	<b>237,631</b>	<b>-</b>	<b>710,706</b>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had been pledged as collateral for long-term and short-term borrowings, please refer to Note 8.

## (13) Right-of-use assets

The Group leases many assets including land, buildings and transportation equipment. Information about leases for which the Group as a lessee is presented below:

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

	Land	Buildings and construction	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:						
Balance as of January 1, 2025	\$ 14,705	79,869	987	13,207	251	109,019
Additions	-	492	-	3,212	-	3,704
Disposals	-	-	(143)	(714)	(251)	(1,108)
Balance as of June 30, 2025	<b>\$ 14,705</b>	<b>80,361</b>	<b>844</b>	<b>15,705</b>	<b>-</b>	<b>111,615</b>
Balance as of January 1, 2024	\$ 13,042	58,606	352	11,765	251	84,016
Additions	-	24,654	987	1,766	-	27,407
Acquisition by merger	-	-	-	518	-	518
Disposals	-	-	-	(1,027)	-	(1,027)
Balance as of June 30, 2024	<b>\$ 13,042</b>	<b>83,260</b>	<b>1,339</b>	<b>13,022</b>	<b>251</b>	<b>110,914</b>
Depreciation of right-of-use assets:						
Balance as of January 1, 2025	\$ 3,656	24,787	424	8,137	236	37,240
Depreciation	736	5,324	247	2,229	15	8,551
Disposals	-	-	(143)	(714)	(215)	(1,108)
Balance as of June 30, 2025	<b>\$ 4,392</b>	<b>30,111</b>	<b>528</b>	<b>9,652</b>	<b>-</b>	<b>44,683</b>
Balance as of January 1, 2024	\$ 2,400	17,426	293	5,365	153	25,637
Depreciation	618	3,871	200	2,020	42	6,751
Acquisition by merger	-	-	-	216	-	216
Disposals	-	-	-	(1,027)	-	(1,027)
Balance as of June 30, 2024	<b>\$ 3,018</b>	<b>21,297</b>	<b>493</b>	<b>6,574</b>	<b>195</b>	<b>31,577</b>
Carrying Value :						
June 30, 2025	<b>\$ 10,313</b>	<b>50,250</b>	<b>316</b>	<b>6,053</b>	<b>-</b>	<b>66,932</b>
December 31, 2024	<b>\$ 11,049</b>	<b>55,082</b>	<b>563</b>	<b>5,070</b>	<b>15</b>	<b>71,779</b>
June 30, 2024	<b>\$ 10,024</b>	<b>61,963</b>	<b>846</b>	<b>6,448</b>	<b>56</b>	<b>79,337</b>

## (14) Investment property

Investment properties include land and buildings held by the Group. The leases of investment properties run for two to five years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The details of investment properties were as follow

	Land	Buildings and structures	Total
Cost :			
Balance as of January 1, 2025	\$ 5,319	18,390	23,709
Reclassification roll-in	-	5,404	5,404
June 30, 2025	<b>\$ 5,319</b>	<b>23,794</b>	<b>29,113</b>
January 1, 2024	\$ 43,393	25,134	68,527
Reclassification roll-out	(19,721)	(8,704)	(28,425)
June 30, 2024	<b>\$ 23,672</b>	<b>16,430</b>	<b>40,102</b>

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

	<b>Land</b>	<b>Buildings and structures</b>	<b>Total</b>
Depreciation :			
Balance as of January 1, 2025	\$ -	2,728	2,728
Depreciation	-	224	224
Reclassified	-	2,364	2,364
June 30, 2025	<u>\$ -</u>	<u>5,316</u>	<u>5,316</u>
Balance as of January 1, 2024	\$ -	8,296	8,296
Depreciation	-	199	199
Reclassified	-	(3,713)	(3,713)
June 30, 2024	<u>\$ -</u>	<u>4,782</u>	<u>4,782</u>
	<b>Land</b>	<b>Buildings and structures</b>	<b>Total</b>
Carrying Value :			
June 30, 2025	<u>\$ 5,319</u>	<u>18,478</u>	<u>23,797</u>
December 31, 2024	<u>\$ 5,319</u>	<u>15,662</u>	<u>20,981</u>
June 30, 2024	<u>\$ 23,672</u>	<u>11,648</u>	<u>35,320</u>
Fair Value :			
June 30, 2025			<u>\$ 86,862</u>
December 31, 2024			<u>\$ 60,151</u>
June 30, 2024			<u>\$ 52,859</u>

The fair value of the investment property was not determined by an independent appraiser but was assessed by the Group's management with reference to existing lease agreements and market evidence from recent transactions of similar properties in the vicinity.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the above investment property has been provided as a guarantee for financing, please refer to Note 8 for details.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (15) Intangible assets

The cost and amortization of the intangible assets of the Group were as follows:

	Goodwill	Patents	Computer software	Other	Total
Costs:					
Balance as of January 1, 2025	\$ 19,429	20,000	18,731	10,200	68,360
Addition	-	-	514	-	514
Balance as of June 30, 2025	<u>\$ 19,429</u>	<u>20,000</u>	<u>19,245</u>	<u>10,200</u>	<u>68,874</u>
Balance as of January 1, 2024	\$ -	-	13,772	-	13,772
Addition	-	-	2,777	-	2,777
Acquisition by merger	-	-	3,165	-	3,165
Balance as of June 30, 2024	<u>\$ -</u>	<u>-</u>	<u>19,714</u>	<u>-</u>	<u>19,714</u>
Amortization:					
Balance as of January 1, 2025	\$ -	2,143	11,139	2,040	15,322
Current amortization	-	1,429	1,932	1,360	4,721
Balance as of June 30, 2025	<u>\$ -</u>	<u>3,572</u>	<u>13,071</u>	<u>3,400</u>	<u>20,043</u>
Balance as of January 1, 2024	\$ -	-	7,864	-	7,864
Current Depreciation	-	-	1,268	-	1,268
Acquisition by merger	-	-	946	-	946
Balance as of June 30, 2024	<u>\$ -</u>	<u>-</u>	<u>10,078</u>	<u>-</u>	<u>10,078</u>
Book value:					
June 30, 2025	<u>\$ 19,429</u>	<u>16,428</u>	<u>6,174</u>	<u>6,800</u>	<u>48,831</u>
December 31, 2024	<u>\$ 19,429</u>	<u>17,857</u>	<u>7,592</u>	<u>8,160</u>	<u>53,038</u>
June 30, 2024	<u>\$ -</u>	<u>-</u>	<u>9,636</u>	<u>-</u>	<u>9,636</u>

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

(16) Other current assets and other non-current assets

The other current assets and non-current assets of the Group were as follows:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current			
Prepayments for purchases	\$ 13,492	3,681	42,796
Prepaid expenses	24,250	13,776	12,882
Offset against business tax payable	7,374	18,086	19,309
Other	4,330	11,443	4,438
Total	<u>\$ 49,446</u>	<u>46,986</u>	<u>\$ 79,425</u>
Non-current			
Prepayments for equipment	\$ 12,569	9,930	8,967
Guarantee deposits paid	42,262	64,802	27,958
Long-term prepaid expenses	559	497	537
Other	-	-	34,527
Total	<u>\$ 55,390</u>	<u>75,229</u>	<u>\$ 71,989</u>

(17) Short-term notes and bills payable

The details of short-term notes and bills payable were as follows:

<u>2024.12.31</u>			
	<u>Guarantee or acceptance institute</u>	<u>Range of interest rates</u>	<u>Amount</u>
Commercial paper payable	Taiwan Finance Corporation	1.92%	\$ 20,000
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.09%	\$ 30,000
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation	1.95%	\$ 30,000
Less: Unamortized discount on bills payable			(86)
Total			<u>\$ 79,914</u>

<u>2024.6.30</u>			
	<u>Guarantee or acceptance institute</u>	<u>Range of interest rates</u>	<u>Amount</u>
Commercial paper payable	China Bills Finance Corporation	1.50%	\$ 50,000
Commercial paper payable	Taiwan Corporative Bills Finance Corporation	1.99%	30,000
Less: Unamortized discount on bills payable			(97)
Total			<u>\$ 79,903</u>

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

(18) Short-term borrowings

The details of short-term loans were as follows:

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Secured bank loans	\$ 65,000	198,055	291,508
Unsecured bank loans	10,000	64,800	120,800
Total	<b>\$ 75,000</b>	<b>262,855</b>	<b>412,308</b>
Unused Credit Facility	<b>\$ 1,170,155</b>	<b>893,301</b>	<b>988,281</b>
Range of interest rates	<b>1.80%~2.175%</b>	<b>1.98%~3.176%</b>	<b>1.98%~2.58%</b>

For the collateral for short-term borrowings, please refer to note 8.

(19) Long-term borrowings

<b>2025.6.30</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	TWD	1.95%	2025	\$ 1,939
Less: current portion				(1,939)
Total				<b>\$ -</b>
Unused Credit Facility				<b>\$ 20,000</b>

  

<b>2024.12.31</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	TWD	3.95%	2025	\$ 13,437
Unsecured bank loans	TWD	2.17%~2.82%	2025~2026	12,623
Less: current portion				(24,671)
Total				<b>\$ 1,389</b>
Unused Credit Facility				<b>\$ 12,100</b>

  

<b>2024.6.30</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	TWD	1.95%	2025	\$ 24,711
Unsecured bank loans	TWD	1.99%~2.70%	2025~2029	33,431
Less: current portion				(29,626)
Total				<b>\$ 28,516</b>
Unused Credit Facility				<b>\$ 12,100</b>

For the collateral for long-term borrowings, please refer to note 8.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (20) Lease liabilities

The carrying amount of lease liabilities was as follows:

	2025.6.30	2024.12.31	2024.6.30
Current	\$ 14,186	15,061	16,981
Non-current	\$ 55,227	58,767	63,920

For the maturity analysis, please refer to note 6 (30).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 355	307	720	624
Variable lease payments not included in the measurement of lease liabilities	\$ 126	122	220	229
Expenses relating to short-term leases	\$ 2,446	5,614	4,850	10,565
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 73	94	177	182

The amounts recognized in the statement of cash flows for the Company were as follows:

	For the six months ended June 30	
	2025	2024
Total cash outflow for leases	\$ 14,086	19,175

### 1. Leasing of buildings and transportation equipment

The Group leases land for the use of energy storage sites with lease terms ranging from nine years and six months to ten years and seven months. The Group leases buildings for the construction of Solar Energy with lease terms of twenty years. The Group leases buildings and transportation equipment for its general operating activities, with lease terms typically ranging from one to ten years.

### 2. Other leases

The Group leases office equipment, etc. These leases are short-term leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(21) Provisions-current

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Subsidy for equity transaction	\$ -	-	9,646

Due to operational needs and for the purpose of revitalizing asset utilization, on August 3, 2017, the Board of Directors approved the resolution for the Group to sell 70% of its shares in EG-Billion Electronics (Dongguan) Ltd. to HCR Technology (Hong Kong) Ltd. The equity disposal transaction was completed in November 2018, except that EG-Billion Electronics (Dongguan) Ltd. was still in negotiations with Shizuo Town Industrial Development Co., Ltd. over the integrated service fees.

In December 2019, (Hong Kong) EG-Billion Ltd. and HCR Technology (Hong Kong) Ltd. reached a supplementary agreement on the contents of the above agreement. The maximum amount of the above compensation shall not exceed RMB 2,170 thousand. The disposal of (Hong Kong) EG-Billion Ltd. will be completed by the Group in August 2021, so the change for equity transactions will be borne by the Group.

In June 2024, pursuant to a court ruling, EG-Billion Electronics (Dongguan) Ltd. had fully settled the comprehensive service fees with Dongguan Shijie Development Industrial Co., Ltd. Consequently, the Group paid a supplementary payment for the equity transaction amounting to RMB 2,170 thousand in August 2024.

(22) Employee benefits

1. Defined benefit plans

Since there were no significant market fluctuations, significant curtailments, settlements, or other significant one-time events after the prior year's reporting date, the Group adopted the retirement benefit costs measured and disclosed for the interim period using the actuarial valuation determined as of December 31, 2024 and 2023.

The Group reported retirement benefit expenses of \$35 thousand and \$71 thousand for the three months ended June 30, 2025 and 2024, respectively, and \$70 thousand and \$142 thousand for the six months ended June 30, 2025 and 2024, respectively.

2. Defined contribution plan

The Group's retirement fund contributions under the Retirement Fund Contribution Regulations, which have been made to the Bureau of Labor Insurance, amounted to \$2,813 thousand and \$2,797 thousand for the three months ended June 30, 2025 and 2024, respectively, and \$5,621 thousand and \$5,231 thousand for the six months ended June 30, 2025 and 2024, respectively.



# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (23) Income taxes

1. The components of income tax expense were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Current income tax expense	\$ 3,412	9,754	19,159	17,602
Deferred income tax expense	(4,996)	-	(4,996)	-
Income tax expense	<b>\$ (1,584)</b>	<b>9,754</b>	<b>14,163</b>	<b>17,602</b>

2. The amount of income tax expense recognized in other comprehensive income was as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ (4,643)	523	(4,112)	2,403

3. The Company's tax returns through 2023 have been assessed by the tax authorities.

## (24) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the six months ended June 30, 2025 and 2024. For related information, please refer to Note 6 (24) of the consolidated financial statements for the year ended December 31, 2024.

1. Issuance of ordinary shares

As of June 30, 2025 and 2024, the Company's authorized capital was both \$2,500,000 thousand, and 12,350 thousand shares were reserved for the issuance of employee stock options, with a par value of \$10 per share and a total of 250,000 thousand shares. The aforementioned authorized capital includes 116,004 thousand shares and 115,464 thousand shares of common stock issued, respectively. All issued shares were received.

For the six months ended June 30, 2025, the Company issued 61 thousand new shares due to the exercise of employee stock options at par value, totaling \$605 thousand. All issued shares have been fully paid, but the statutory registration procedures have not yet been completed, and the proceeds are recorded as advance receipts for share capital.

For the six months ended June 30, 2024, the Company issued 69 thousand new shares due to the exercise of employee stock options at par value, totaling \$976 thousand. All issued shares have been fully paid, and the relevant statutory

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

registration procedures of 15 thousand shares have been completed.

### 2. Capital surplus

The components of capital surplus were as follows:

	2025.6.30	2024.12.31	2024.6.30
Share premium	\$ 634,506	634,159	\$ 630,621
Treasury share transactions	5,929	5,929	5,929
Treasury share transactions (transfer of employee stock options)	19,493	19,262	19,262
Difference between consideration and carrying number of subsidiaries acquired or disposed	14,521	19,777	22,571
Changes in ownership interests in subsidiaries	2,336	2,336	2,336
Share of net assets of associates accounted for using the equity method change	32	32	32
From merger	8,173	8,173	8,173
Employee stock options	542	588	2,232
Donations	1,890	1,890	1,890
	<b>\$ 687,422</b>	<b>692,146</b>	<b>693,046</b>

According to the Company Law, after losses have been offset using the capital reserve, the realized portion of the capital reserve may be distributed to shareholders in the form of new shares or cash in proportion to their original shareholding. The realized capital reserve mentioned above includes the premium arising from the issuance of shares in excess of par value and income from donated assets. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserve appropriated for such distribution shall not exceed 10% of the paid-in capital.

### 3. Retained earnings

According to the Company's Articles of Incorporation, after all taxes and dues have been paid in accordance with the law and accumulated losses have been covered, 10% of the remaining annual earnings shall be appropriated as legal reserve. However, this requirement shall not apply once the legal reserve has reached the total paid-in capital of the Company. The remaining earnings shall then be used to appropriate or reverse a special reserve, as required. Any further remaining balance, together with any accumulated undistributed earnings, shall be subject to an earnings distribution proposal prepared by the Board of Directors and submitted to the shareholders' meeting for approval.

The Company's dividend policy, aligned with its current and future development plans, the investment environment, capital requirements, and both domestic and

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

international competition, also takes into account the interests of shareholders and other relevant factors. Under this policy, the annual distribution of distributable earnings for shareholders' dividends shall not be less than 10% of the total distributable earnings. However, if the accumulated distributable earnings are less than 5% of the paid-in capital, no distribution is required. When distributing dividends, the cash portion shall account for no less than 5% of the total dividends distributed for the current year. The remaining amount may be distributed in the form of share dividends. The actual distribution ratio shall be adjusted based on the Company's profitability and operating conditions for the year.

### (1) Earnings distribution

The Company proposed not to distribute the earnings for 2024 at the annual shareholders meeting on May 22, 2025, and the earnings distribution proposal for 2023 was resolved at the annual shareholders' meeting on May 29, 2024.

The dividends to be distributed to the owners are as follows:

	2024		2023	
	Distribution		Distribution	
	rate		rate	
	(in dollars)	Amount	(in dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ -	-	0.37	42,298

### 4. Treasury Shares

The details of changes in treasury shares of the Company were as follows:

	For the six months ended		For the six months ended	
	June 30, 2025		June 30, 2024	
	Transfer of shares to employees (thousand shares)	Transfer of shares to employees (NT \$thousand)	Transfer of shares to employees (thousand shares)	Transfer of shares to employees (NT \$thousand)
Beginning balance	1,146	\$ 25,057	1,146	25,057
Transferred to employees of the Group	(20)	(380)	-	-
Ending balance	1,126	\$ 24,677	1,146	25,057

The number of uncanceled treasury shares of the Company on June 30, 2025 and 2024 is 1,126 thousand and 1,146 thousand, respectively. The treasury shares held by the Company shall not be pledged in accordance with the provisions of the Securities Exchange Law, and shall not enjoy the rights of shareholders before transfer.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 5. Other equity (net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2025	\$ 5,240	(34,616)	367,920	338,544
Profit	-	-	7,794	7,794
Exchange differences on translating the financial statements of foreign operations	(16,272)	-	(2,166)	(18,438)
Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income	-	(129)	(89)	(218)
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	-	-	(24,260)	(24,260)
Share-based payment	-	-	6	6
Cash dividend	-	-	(11,227)	(11,227)
Balance as of June 30, 2025	<u>\$ (11,032)</u>	<u>(34,745)</u>	<u>337,978</u>	<u>292,201</u>
Balance as of January 1, 2024	\$ (6,106)	(25,357)	194,633	163,170
Profit	-	-	30,053	30,053
Exchange differences on translating the financial statements of foreign operations	9,613	-	1,247	10,860
Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income	-	(158)	(158)	(316)
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	-	-	(17,502)	(17,502)
Share-based payment	-	-	67	67
Cash capital increase	-	-	(11,873)	(11,873)
Cash dividend	-	-	154,521	154,521
Balance as of June 30, 2024	<u>\$ 3,507</u>	<u>(25,515)</u>	<u>350,988</u>	<u>328,980</u>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (25) Share-based payments

There were no significant changes in the Group's share-based payment for the six months ended June 30, 2025 and 2024. For related information, please refer to Note 6 (25) of the consolidated financial statements for the year ended December 31, 2024.

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Share-based compensation expenses	\$ 11,302	116	11,250	236

## (26) Earnings per share

The calculation of basic and diluted earnings per share was as follows:

### 1. Basic earnings (loss) per share

#### (1) Net income (loss) attributable to ordinary shareholders of the Company

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Profit (loss) attributable to the Company	\$ (52,239)	(20,476)	(16,039)	14,345

#### (2) Weighted-average number of ordinary shares outstanding

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares outstanding	114,917	114,355	114,905	114,336

Unit: thousand shares

### 2. Diluted earnings per share

#### (1) Profit (loss) attributable to ordinary shareholders of the Company (diluted)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Profit (loss) attributable to the Company	\$ (52,239)	(20,476)	(16,039)	14,345

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (2) Weighted-average number of ordinary shares outstanding (diluted)

Unit: thousand shares

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares outstanding (basic)	114,917	114,355	114,905	114,336
Effect of potentially dilutive ordinary shares:				
Effect of employee share options	-	-	-	521
Effect of employee stock bonus	-	-	-	75
	<u>114,917</u>	<u>114,355</u>	<u>114,905</u>	<u>114,932</u>
	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Basic earnings per share (loss)	\$ (0.45)	(0.18)	(0.14)	0.13
Diluted earnings per share (loss)	\$ (0.45)	(0.18)	(0.14)	0.12

For the three months and six months of ended June 30, 2025, the Group reported a net loss after tax. Including potential common shares, such as employee compensation that may be settled in stock and unvested employee stock options, would have an anti-dilutive effect; therefore, these were not included in the calculation of diluted loss per share.

## (27) Revenue from contracts with customers

### 1. Disaggregation of revenue

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Primary geographical markets:				
Asia	\$ 632,943	367,661	1,200,389	841,993
America	94,926	55,920	172,204	109,509
Other countries	3,280	13,035	3,930	14,052
	<u>\$ 731,149</u>	<u>436,616</u>	<u>1,376,523</u>	<u>965,554</u>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Product sales revenue				
Communication				
equipment	92,664	68,246	168,438	122,138
Power plant equipment	41,450	43,360	80,770	72,955
Energy storage —				
equipment sales	504,501	148,368	975,580	286,085
Energy storage — system				
Integration	75,119	147,476	108,463	441,333
Energy storage — other	17,415	29,166	43,272	43,043
	<b>\$ 731,149</b>	<b>436,616</b>	<b>1,376,523</b>	<b>965,554</b>

## 2. Contract balances

	2025.6.30	2024.12.31	2024. 6.30
Notes receivable	\$ 1,005	10,034	6,764
Accounts receivable	227,538	133,734	110,796
Accounts receivable — related parties	21,602	-	-
Less: loss allowances	(11,052)	(4,661)	(1,682)
	<b>\$ 239,093</b>	<b>139,107</b>	<b>115,878</b>
Costs of fulfill a contract	<b>\$ 190,095</b>	<b>848,227</b>	<b>968,991</b>
Current contract assets	<b>\$ 46,939</b>	<b>192,149</b>	<b>159,434</b>
Current contract liabilities	<b>\$ 192,124</b>	<b>684,212</b>	<b>514,469</b>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6 (5).

The contract liabilities primarily relate to the advance consideration received from contracts with customers, for which revenue is recognized when products are delivered to customers.

## (28) Remuneration to employees and directors

On May 22, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profits in a given year, before deducting employee compensation and directors' remuneration from the pre-tax income, not less than 2% shall be allocated as employee compensation (of which not less than 60% shall be distributed to rank-and-file employees, with the definition of rank-and-file employees to be determined by the Board of Directors) and not more than 3% shall be allocated as directors' remuneration. However, if the Company has

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

accumulated losses, the amount shall first be retained to offset the losses. The employees eligible for remuneration in the form of shares or cash may include employees of subsidiaries meeting certain criteria. The Articles of Incorporation before the amendment provided that, in accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and no more than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months and six months ended June 30, 2025 and 2024, the remunerations to employees amounted to (\$2,185) thousand, (\$330) thousand, \$0 thousand and \$1,723 thousand, respectively, and the remunerations to directors amounted to (\$262) thousand, \$200 thousand, \$0 thousand and \$500 thousand, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for the three months and six months ended June 30, 2025 and 2024. If the actual distribution amounts in the subsequent year differ from the estimated amounts, such differences will be accounted for as a change in accounting estimate and recognized in the profit or loss of the subsequent year.

For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to \$0 thousand and \$3,500 thousand, respectively. The remunerations to directors amounted to \$0 thousand and \$1,200 thousand, respectively. There was no difference between the actual amounts and the amounts distributed. The relevant information will be available at the Market Observation Post System website.

### (29) Non-operating income and expenses

#### 1. Interest income

The details of interest income were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Interest on bank deposits	\$ 4,257	8,678	8,150	13,888
Other interest income	1,268	1,937	3,249	4,842
	<u>\$ 5,525</u>	<u>10,615</u>	<u>11,399</u>	<u>18,730</u>



# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 2. Other income

The details of other income were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Rental income	\$ 1,936	1,233	4,243	3,075
Dividend income	2	-	2	-
Others	2,079	4,754	57,581	9,638
	<b>\$ 4,017</b>	<b>5,987</b>	<b>61,826</b>	<b>12,713</b>

## 3. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Gain on disposal of property, plant and equipment	\$ 15	-	8	329
Foreign exchange gains (loss)	(70,392)	9,812	(60,981)	40,547
Gains on financial assets at fair value through profit	107	169	211	1,319
Gain on disposal of subsidiary	13	-	13	-
Others	(1,208)	(251)	(3,648)	(251)
	<b>\$ (71,465)</b>	<b>9,730</b>	<b>(64,397)</b>	<b>41,944</b>

## 4. Finance costs

The details of finance costs were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 607	2,161	2,286	3,212
Interest on lease liabilities	355	307	720	624
Interest on other borrowings	70	284	182	625
Interest on short-term notes and bills payable	165	143	542	370
	<b>\$ 1,197</b>	<b>2,895</b>	<b>3,730</b>	<b>4,831</b>

**(30) Financial instruments**

Except for the following, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to Note 6 (30) of the consolidated financial statements for the year ended December 31, 2024.

**1. Credit risk**

**(1) Concentration of credit risk**

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group reviewed the concentrations of credit risk arising from the major top five customers, and it was 51.10%, 20.17% and 00.00%, respectively, of the total accounts receivable, which exposed the Group to significant concentration of credit risk.

**2. Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated impact interest payments.

	<b>Carrying value</b>	<b>Contractual cash flows</b>	<b>Within 12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>June 30, 2025</b>					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 233,321	233,321	233,321	-	-
Lease liabilities	69,413	73,439	15,423	45,691	12,325
Floating interest rate liabilities	75,000	75,497	75,497	-	-
Fixed interest rate liabilities	1,939	1,945	1,945	-	-
<b>Total</b>	<b>\$ 379,673</b>	<b>384,202</b>	<b>326,186</b>	<b>45,691</b>	<b>12,325</b>
<b>December 31, 2024</b>					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 197,922	197,922	197,922	-	-
Lease liabilities	73,828	78,393	16,382	46,443	15,568
Floating interest rate liabilities	275,477	276,941	275,542	1,399	-
Fixed interest rate liabilities	93,352	93,660	93,660	-	-
<b>Total</b>	<b>\$ 640,579</b>	<b>646,916</b>	<b>583,506</b>	<b>47,842</b>	<b>15,568</b>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

	Carrying value	Contractual cash flows	Within 12 months	1-5 years	Over 5 years
<b>June 30, 2024</b>					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 422,888	422,888	422,888	-	-
Lease liabilities	80,901	86,093	18,430	49,241	18,422
Floating interest rate liabilities	437,839	441,244	421,707	18,879	658
Fixed interest rate liabilities	112,514	113,287	103,404	9,883	-
<b>Total</b>	<b>\$1,054,142</b>	<b>1,063,512</b>	<b>966,429</b>	<b>78,003</b>	<b>19,080</b>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

## 3. Exchange rate risk

(1) The Group's significant exposure to foreign currency risk was as follows:

	2025.6.30				2024.12.31			2024.6.30			
	Foreign		Exchange	TWD	Foreign		Exchange	TWD	Foreign		Exchange
	currencies	Rate	currencies		Rate	currencies	Rate		TWD		
<b><u>Financial assets</u></b>											
<u>Monetary items</u>											
USD	\$	28,254	29.300	827,852	30,198	32.785	990,042	34,997	32.450	1,135,651	
EUR		9	34.350	311	201	34.140	6,850	365	34.710	12,662	
JPY		16,010	0.203	3,257	27,213	0.210	5,712	189,800	0.202	38,283	
<b><u>Financial liabilities</u></b>											
<u>Monetary items</u>											
USD		1,723	29.300	50,483	934	32.785	30,615	1,915	32.450	62,139	
RMB		3,135	4.091	12,825	1,765	4.478	7,905	4,249	4.445	18,887	
JPY		2,033	0.203	413	-	-	-	65,495	0.202	13,210	

## (2) Sensitivity analysis

The exchange rate risk of monetary items from the Group mainly arises from cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables denominated in foreign currencies, which result in foreign exchange gains or losses upon conversion. As of June 30, 2025 and 2024, if the New Taiwan Dollar had weakened or strengthened by 5% against the US Dollar, Euro, Japanese Yen, and RMB, with all other factors remaining constant, the pre-tax net income for the six months ended June 30, 2025 and 2024, would have increased or decreased by \$38,385 thousand and \$54,618 thousand, respectively. The analysis for both periods is based on the same assumptions.

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

### (3) Exchange gains and losses of monetary items

Due to the diverse functional currencies of the Group, the exchange gains and losses on monetary items are disclosed in a consolidated manner. For the six months ended June 30, 2025 and 2024, the foreign exchange gains (losses) (including realized and unrealized) were (\$60,981) thousand and \$40,547 thousand, respectively.

### 4. Interest rate analysis

Interest rate risks on the financial assets and financial liabilities of the Group are described in the Liquidity Risk Management section of this note.

The following sensitivity analysis is based on the interest rate risk of derivative and non- derivative instruments as of the reporting date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding on the reported date is outstanding for the whole year. When the Group's internal reporting of interest rate fluctuations to key management personnel, an increase or decrease of 0.25% is used, which represents management's assessment of the reasonably possible range of interest rate changes.

If interest rates increase or decrease by 0.25%, with all other variables held constant, the pre-tax net profit of the Group for the six months ended June 30, 2025 and 2024 would decrease or increase by \$188 thousand and \$1,095 thousand, respectively.

### 5. Other price risk

If the prices of equity securities change at reporting date, with all other variables held constant, the influences were as follows:

Price of securities at reporting date	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Increasing 10%	\$ 6,580	299	7,525	1,046
Decreasing 10%	\$ (6,580)	(299)	(7,525)	(1,046)

### 6. Fair value and carrying amount

#### (1) Type and Fair Values of the Financial Instruments

The financial assets and liabilities of the Group measured at fair value through profit and loss and the financial assets measured at fair value through other comprehensive profit and loss are measured at fair value on a recurring basis. Book amount and fair

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

value of various types of financial assets and financial liabilities (including fair value grade information, but the book amounts of financial instruments not measured by fair value is a reasonable approximation of fair value, and leasing liabilities, according to the provisions of the fair value information is not required to disclose) are listed as follows:

2025.6.30					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	\$ 2,988	2,988	-	-	2,988
Financial assets at fair value through other comprehensive income					
Domestic emerging markets stocks	5,398	-	5,398	-	5,398
Domestic and foreign unlisted stocks	60,401	-	-	60,401	60,401
Sub-total	65,799	-	5,398	60,401	65,799
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	507,079	-	-	-	-
Financial assets measured at amortized cost	468,299	-	-	-	-
Notes and accounts receivable (including related parties)	239,093	-	-	-	-
Other receivables	8,278	-	-	-	-
Sub-total	1,222,749	-	-	-	-
Total	<b>\$1,291,536</b>	<b>2,988</b>	<b>5,398</b>	<b>60,401</b>	<b>68,787</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 75,000	-	-	-	-
Notes and accounts payable	120,925	-	-	-	-
Other payables	112,396	-	-	-	-
Lease liabilities (including current portion)	69,413	-	-	-	-
Long-term borrowings (including current portion)	1,939	-	-	-	-
Total	<b>\$ 379,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

	2024.12.31				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	\$ 3,126	3,126	-	-	3,126
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	66,017	-	-	66,017	66,017
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	660,036	-	-	-	-
Financial assets measured at amortized cost	514,005	-	-	-	-
Notes and accounts receivable	139,107	-	-	-	-
Other receivables	15,456	-	-	-	-
Sub-total	1,328,604	-	-	-	-
<b>Total</b>	<b>\$ 1,397,747</b>	<b>3,126</b>	<b>-</b>	<b>66,017</b>	<b>69,143</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 262,855	-	-	-	-
Short-term notes and bills payable	79,914	-	-	-	-
Notes and accounts payable	106,663	-	-	-	-
Other payables	91,259	-	-	-	-
Lease liabilities (including current portion)	73,828	-	-	-	-
Long-term borrowings (including current portion)	26,060	-	-	-	-
<b>Total</b>	<b>\$ 640,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

	2024.6.30				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>	\$ 10,458	10,458	-	-	10,458
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	75,248	-	-	75,248	75,248
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	964,350	-	-	-	-
Financial assets measured at amortized cost	503,962	-	-	-	-
Notes and accounts receivable	115,878	-	-	-	-
Other receivables	13,097	-	-	-	-
Sub-total	1,597,287	-	-	-	-
<b>Total</b>	<b>\$1,682,993</b>	<b>10,458</b>	<b>-</b>	<b>75,248</b>	<b>85,706</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 412,308	-	-	-	-
Short-term notes and bills payable	79,903	-	-	-	-
Notes and accounts payable	275,394	-	-	-	-
Other payables (including related parties)	147,494	-	-	-	-
Lease liabilities (including current portion)	80,901	-	-	-	-
Long-term borrowings (including current portion)	58,142	-	-	-	-
<b>Total</b>	<b>\$1,054,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-Derivative Financial Instruments

If a financial instrument has an open quotation on the active market, the fair value shall be the open quotation on the active market. The market prices announced by the major exchanges and the Central Government Bond Counter trading centers judged to be hot bonds are the basis for the fair value of listed equity instruments and debt instruments quoted in active markets.

## **Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

If the quoted prices for financial instruments are readily and regularly available from an exchange, dealer, broker, industry association, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis, then the financial instruments have an active market quoted price.

If the above conditions are not met, the market is deemed to be inactive. In general, a wide bid-ask spread, a significant increase in bid-ask spread or very little trading volume are indicators of an inactive market.

The fair value of the financial instruments held by the Group in an active market is shown by class and attribute as follows:

The fair value of financial assets and liabilities, such as redeemable bonds, TWSE/Tep listed companies shares, bills of exchange and bonds, which are subject to standard terms and conditions and are traded in the active market, shall be determined by reference to market quotations respectively.

Besides the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of appraisal techniques or by reference to counterparty quotations. The fair value obtained through valuation techniques can refer to the current fair value of other substantially similar financial instruments, the present value technique of cash flows, or other valuation techniques, including the use of models calculated with market information available on the reporting date (e.g., Taipei Exchange reference yield curve, Reuters commercial paper rate average quotes).

The fair value of the financial instruments held by the Group in an inactive market is shown by class and attribute as follows:

Equity instrument without public quotation: The fair value is estimated using the market comparable company law, and its main assumption is based on the estimated earnings before interest, depreciation and amortization of investors and the earnings multiplier derived from the market quotation of comparable TWSE/TPEX listed companies. This estimate has been adjusted for the effect of the discount on the lack of market liquidity of the equity securities.



## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

### (3) Transfers between Level 2 and Level 3

The Group's investment in shares of Jong Shyn Shipbuilding Co., Ltd. is classified as financial assets at fair value through other comprehensive income. Jong Shyn Shipbuilding Co., Ltd. is a company listed on the TPEX Emerging Stock Board. Based on the stock turnover rates of TPEX Emerging Board shares, management assessed that the investment does not constitute an equity instrument traded in an active market. Accordingly, the investment has been reclassified from Level 3 to Level 2.

### (4) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Balance as of January 1, 2025	\$ 66,017
Total gains and losses	
Recognized in other comprehensive income (loss)	(218)
Transfers out of Level 3	(5,398)
Balance as of June 30, 2025	<u>\$ 60,401</u>
Balance as of January 1, 2024	<u>\$ 69,327</u>
Total gains and losses	
Recognized in other comprehensive income (loss)	(316)
Acquisition by merger	6,237
Balance as of June 30, 2025	<u><u>\$ 75,248</u></u>

The total gain mentioned above is reported under “Unrealized Valuation Gain on Financial Assets Measured at Fair Value Through Other Comprehensive Income (loss).” The details related to the assets still held as of June 30, 2025, and 2024 are as follows:

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Total income (loss) — Recognized				
in Other Comprehensive				
Income (loss) (Reported under				
“Unrealized Valuation on				
Financial Assets Measured at				
Fair Value Through Other				
Comprehensive Income (loss))	\$ 41	(316)	(218)	(316)

## (5) Quantitative Information on Fair Value Measurement of Significant Unobservable Inputs (Level 3)

Level 3 of the fair value measurement of the Group mainly refers to the financial asset-equity securities investment measured by the fair value of other comprehensive profit and loss, while the domestic and foreign unlisted (over-the-counter) equity investments are calculated using the comparable listed company method to calculate the fair value of the investment bid, and the comparable listed and over-the-counter companies method refers to companies engaged in the same or similar business whose shares are traded at the transaction price of an active market, the value multipliers implied by those prices, and considers the liquidity discount to determine the value of the target company.

## (31) Financial risk management

There were no significant changes in the Group’s financial risk management and policies as disclosed in note 6 (31) of the consolidated financial statements for the year ended 31 December, 2024.

## (32) Capital management

The Group’s objectives, policies and processed for capital management were consistent with the consolidated financial statements for the year ended December 31, 2024. There were no significant changes in quantified factors of capital management from those in the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to Note 6 (32) of the consolidated financial statements for the year ended December 31, 2024.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (33) Non-cash investing and financing activities

1. Acquisition of right-of-use assets by lease, please refer to note 6 (13).
2. The details of cash payments for the acquisition of property, plant and equipment are as follows:

	For the six months ended June 30	
	2025	2024
Acquisition of property, plant and equipment	\$ 13,608	11,847
Add: Beginning balance of equipment payable	322	672
Less: Ending balance of equipment payable	(1,052)	(1,352)
Cash payments	<u>\$ 12,878</u>	<u>11,167</u>

3. Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes and others		
	2025.1.1	Cash flows	Additions	Others	2025.6.30
Short-term borrowings	\$ 262,855	(187,855)	-	-	75,000
Short-term notes and bills payable	79,914	(79,914)	-	-	-
Lease liabilities (including current portion)	73,828	(8,119)	3,704	-	69,413
Long-term borrowings (including current portion)	26,060	(24,121)	-	-	1,939
Total liabilities from financing activities	<u>\$ 442,657</u>	<u>(300,009)</u>	<u>3,704</u>	<u>-</u>	<u>146,352</u>

			Non-cash changes and others		
	2024.1.1	Cash flows	Additions	Decrease	2024.6.30
Short-term borrowings	\$ 148,700	248,608	-	15,000	412,308
Short-term notes and bills payable	29,898	50,005	-	-	79,903
Lease liabilities (including current portion)	59,612	(7,575)	28,559	305	80,901
Long-term borrowings (including current portion)	64,695	(6,553)	-	-	58,142
Total liabilities from financing activities	<u>\$ 302,905</u>	<u>284,485</u>	<u>28,559</u>	<u>15,305</u>	<u>631,254</u>

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 7. Related party transactions

### (1) Names relationship and with related parties

During the period covered by these consolidated financial statements, the related parties that had transactions with the Group are as follows:

<b>Name of related parties</b>	<b>Relationship with the Group</b>
Xiajing Co., Ltd.	Associates
Sino-American Silicon Products Inc.	The company is the corporate director serving as the Chairman of the Company

### (2) Significant transactions with related parties

#### 1. Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

<b>Related Party Category/Name</b>	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Associates:				
Xiajing Co., Ltd.	\$ 1,372	65,403	124,637	95,176
Other parties:				
Sino-American Silicon Products Inc.	241	65,403	2,136	-
	<b>\$ 1,613</b>	<b>65,403</b>	<b>126,773</b>	<b>95,176</b>

Sales are made with reference to general market conditions, and the price and payment period are not materially different from that of general manufacturers.

#### 2. Contract balances

<b>Account</b>	<b>Related Party Category/Name</b>	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024. 6.30</b>
	Associates:			
Contract assets	Xiajing Co., Ltd.	\$ -	13,900	16,115
	Associates:			
Contract liabilities	Xiajing Co., Ltd.	\$ -	70,133	168,063

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 3. Amounts receivable to related parties

<u>Account</u>	<u>Related Party Category/Name</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024. 6.30</u>
	Associates:			
Account receivable - related parties	Xiajing Co., Ltd.	\$ 21,388	-	-
	Other parties:			
Account receivable - related parties	Sino-American Silicon Products Inc.	214	-	-
		<u>\$ 21,602</u>	<u>-</u>	<u>-</u>

## 4. Amounts payable to related parties

<u>Account</u>	<u>Related Party Category/Name</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024. 6.30</u>
	Associates:			
Other payable - related parties	Xiajing Co., Ltd.	\$ -	-	<u>1,638</u>

## (3) Key management personnel transactions

Key management personnel compensation comprised:

<u>Related Party Category/Name</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 8,652	6,196	16,080	13,247
Post-employment benefits	246	190	454	310
Share-based payments	16	9	31	20
	<u>\$ 8,914</u>	<u>6,395</u>	<u>16,565</u>	<u>13,577</u>

## 8. Pledged Assets

The following assets of the Group have been provided to various financial banks as financing line applications, project pledges or collateral guarantees. The carrying amount of pledged assets were as follows:

**Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements**

<b>Account</b>	<b>Related Party Category/Name</b>	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Financial assets measured at amortized cost-current	Short-term borrowings, short-term notes and bills payable and performance guarantee	<u>\$ 31,236</u>	<u>38,360</u>	<u>47,688</u>
Financial assets measured at amortized cost -non-current	Agreement items in note 9 (3) and loans	<u>\$ 354,547</u>	<u>389,119</u>	<u>382,564</u>
Property, plant and equipment	Long-term loans	<u>\$ 187,763</u>	<u>187,763</u>	<u>187,763</u>
Property, plant and equipment	Long-term loans	<u>\$ 54,198</u>	<u>55,157</u>	<u>56,115</u>
Property, plant and equipment	Long-term loans	<u>\$ -</u>	<u>6,564</u>	<u>6,802</u>

**9. Significant Contingent Liabilities and Unrecognized Commitments**

(1) Contingent liabilities:

	<b>2025.6.30</b>	<b>2024.12.31</b>	<b>2024.6.30</b>
Purchase of property, plant and equipment	\$ -	-	54,941
Purchase of inventory	33,537	29,750	-
	<u>\$ 33,537</u>	<u>29,750</u>	<u>54,941</u>

(2) As of June 30, 2025, the Group issued promissory notes amounting to \$1,503,484 thousand for obtaining comprehensive credit line from financial institutions.

(3) The Company purchases on behalf of its customers, and all receivable for payment on behalf have been insured. Insurance receivable for \$148,442 thousand (US\$5,330 thousand) with Cathay Century Products Insurance Company on February 22, 2017, for one year, the coverage is protracted for debtors of the company in cases of insolvency, protracted default and political risks, in which the product insurance company will bear losses incurred by the company in a ratio of 90%. The maximum liability is US\$10,000 thousand each. Cathay Century Products Insurance Company declined to pay the insurance proceeds on the grounds that the payments receivable on behalf of others was disputed and did not meet the policy claims requirements.

In addition, in order to mitigate the risk of accounts receivable and consider the benefits of fund utilization, the Company entered into accounts receivable purchase contracts with financial institutions and sold the accounts receivable to the financial institutions (CTBC Bank and Taishin International Bank) without recourse conditions. The amount of sale in 2017 was \$435,776 thousand (US\$14,370 thousand), and the payment advanced was \$392,199 thousand (USD12,933 thousand). The Company appointed a lawyer from

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Tong-li Attorneys-at-Law to assess that the content of the aforementioned accounts receivable purchase contracts. The content of the purchase contract is the terms common to the debt transfer contracts of general financial institutions. It is consistent to the normal content of assignment of debt in terms of the purchase price and accounts receivable, the transfer method and risk liability. However, there is still room for the definition and determination in commercial disputes of purchase contract; this is common in domestic financial cases, which will allow financial institutions to have a large space for interpretation and play. The Company has agreed with the financial institution that as of June 30, 2025, demand deposits of \$23,767 thousand and time deposits of \$330,780 thousand as agreed shall not be used, and promissory notes of US\$13,556 thousand and \$10,000 thousand have been issued.

As above, all of the Company's above-mentioned claims have been insured or sold to financial institutions on a non-recourse basis, and the Company has continued to discuss with appointed lawyers to conduct relevant legal proceedings and litigation.

In addition, according to the contract, the Company has charged US\$4,459 thousand in livery to Potevio Co., Ltd. and Potevio International Company Limited (hereinafter referred to as "Potevio Group") for late payment to the Company. After sending several letters urging Potevio Group to delay the payment of the account for various reasons. In June 2018, the Company appointed a lawyer to initiate arbitration against the Potevio Group for breach of contract. However, the opposing party submitted a counter-arbitration request to the South China International Economic and Trade Arbitration Commission, requesting the Company to double the refund of the performance bond paid by Potevio Group amounting to US\$469 thousand. In July 2018, the lawyer appointed by the Company assessed that the Company had fulfilled the delivery obligation, and Potevio Group should pay the balance of the goods to the Company and assume the liability for breach of contract, and the Company has no obligation to return the advance payment (called "performance bond" by Potevio Group) to Potevio Group. In August 2025, the Company was notified by the South China International Economic and Trade Arbitration Commission that the award period would be extended to October 31, 2025.

- (4) The Group's subsidiary, Billion Watts Technologies Co., Ltd. (hereinafter referred to as "Billion Watts"), received a payment order issued by the Taipei District Court, Taiwan, on May 23, 2025. The order relates to a claim by Billion Watts' customer, Aster Renewable Energy Co., Ltd., alleging that Billion Watts failed to perform its contractual obligations, and consequently, the customer notified the termination of the contract and requested the return of the first-phase project payment of \$6,269 thousand, together with interest from the day following the service of the payment order until actual settlement.

However, Billion Watts believes that the debt is still under dispute and involves a

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

substantive determination of contractual performance. In accordance with Article 516 of the Code of Civil Procedure, Billion Watts filed an objection with the Taipei District Court, Taiwan, on June 4, 2025. Billion Watts has formally engaged legal counsel to handle the related litigation matters. The case is currently pending assignment and review by the court.

## 10. Significant disaster loss: None.

## 11. Significant subsequent events: None.

## 12. Others

(1) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

Function	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
<b>By item</b>						
Employee benefits expense						
Wages and salaries	15,588	69,501	85,089	14,189	52,537	66,726
Labor and health insurance	1,421	4,336	5,757	1,257	4,561	5,818
Pension	680	2,168	2,848	620	2,248	2,868
Other employee benefits	1,005	2,413	3,418	723	2,450	3,173
Depreciation	9,207	6,655	15,862	9,773	4,946	14,719
Amortization	27	2,316	2,343	-	989	989

Function	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
<b>By item</b>						
Employee benefits expense						
Wages and salaries	30,578	128,941	159,519	26,628	103,934	130,562
Labor and health insurance	2,888	9,059	11,947	2,331	9,044	11,375
Pension	1,344	4,347	5,691	1,126	4,247	5,373
Other employee benefits	2,315	5,267	7,582	1,411	4,576	5,987
Depreciation	18,218	13,469	31,687	19,879	7,781	27,660
Amortization	27	4,694	4,721	-	1,268	1,268

(2) Seasonality of operations:

The Group's operations are not significantly affected by seasonal or cyclical factors.



# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 13. Other disclosures

### (1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2025:

#### 1. Loans to other parties:

Unit: NT \$thousands

No.	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other parties during the period	Ending Balance	Actual usage amount during the period	Range of interest rate during the period	Purpose of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Other receivables	Yes	45,000	45,000	40,000	2.35%	2	-	Operating turnover	-	-	-	103,767 (Note 3)	415,067 (Note 3)
0	Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Other receivables	Yes	30,000	30,000	30,000	2.3%	2	-	Operating turnover	-	-	-	103,767 (Note 3)	415,067 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	Yes	50,000	50,000	50,000	2.15%	2	-	Operating turnover	-	-	-	103,767 (Note 3)	415,067 (Note 3)
1	BEC Technologies Inc.	BEC International, LLC	Other receivables	Yes	19,923 (Note 5)	17,580 (Note 5)	1,758 (Note 5)	0.00%	2	-	Repayment of bank loans	-	-	-	19,953 (Note 4)	39,906 (Note 4)
2	Noonspare Energy Technology Co., Ltd.	Billion Electric Co., Ltd.	Other receivables	Yes	80,000	80,000	80,000	1.7%	2	-	Repayment of bank loans	-	-	-	80,865 (Note 6)	80,865 (Note 6)

Note 1: The number column is illustrated as follows:

- (1) Fill in 0 for the issuer.
- (2) Investees are numbered sequentially starting from 1 according to the company type.

Note 2: 1. Business transaction.

2. Necessary for short-term financing.

Note 3: According to the Company's operating procedures for lending funds, the limits are as follows:

- (1) The amount of loans to an individual party shall not exceed 5% of the net value of the owner of Billion Electric Co., Ltd. for the current period.
- (2) The total amount of external loans shall not exceed 20% of the current net value of the owner of Billion Electric Co., Ltd. for the current period.

Note 4: According to BEC Technologies Inc.'s operating procedures for lending funds, the limits are as follows:

- (1) The amount of loans to an individual party shall not exceed 10% of the net value of the owner of BEC Technologies Inc. for the current period.
- (2) The total amount of external loans shall not exceed 20% of the net value of the owner of BEC Technologies Inc. for the current period.

Note 5: The Company's subsidiary BEC Technologies Inc. has newly lent funds of US\$600 thousand to its subsidiary BEC International LLC starting from January 2021, with an actual drawdown amount of US\$60 thousand. The ending exchange rate is USD 1 to NTD 29.3

Note 6: According to Noonspare Energy Technology Co., Ltd.'s operating procedures for lending funds, the limits are as follows:

- (1) The amount of loans to an individual party shall not exceed 30% of the net value of the owner of Noonspare Energy Technology Co., Ltd. for the current period.
- (2) The total amount of external loans shall not exceed 30% of the net value of the owner of Noonspare

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Energy Technology Co., Ltd. for the current period.

Note 7: The above transactions between parent and subsidiary companies have been eliminated in the preparation of this consolidated financial report.

### 2. Guarantees and endorsements for other parties:

Unit: NT \$thousands

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage during the period	Property pledged for guarantee and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantee and endorsements (Note 4)	Parent company	Subsidiary	Endorsement s/guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the Company (Note 2)								Endorsement s/guarantees to third parties on behalf of subsidiary	Guarantees to third parties on behalf of parent company	
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	2	1,037,668	60,000	60,000	-	-	2.89%	2,075,335	Y	N	N
0	Billion Electric Co., Ltd.	Taichuang Energy Co., Ltd.	6	1,037,668	125,000	125,000	87,246	-	6.02%	2,075,335	N	N	N

Note 1: Explanation of the number column is as follows:

- (1) The issuer fills in 0.
- (2) The investee companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The relationships between the endorser and the endorsee are as follows:

- (1) Companies with business dealings.
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) Companies that directly or indirectly hold more than 50% of the voting shares of the Company.
- (4) Intercompany where the Company directly or indirectly holds more than 90% of the voting shares.
- (5) Companies that are mutually guaranteed by the contract between peers or co-contractors based on the needs of the underwriting project.
- (6) Companies to which all investing shareholders endorse a guarantee based on its shareholding ratio as a result of the joint investment relationship.
- (7) Joint and several guarantees of performance bonds for pre-sale housing sales contracts with peers in the same industry in accordance with the regulations of the Consumer Protection Act.

Note 3: The amount of the endorsement guarantee provided to a single entity shall not exceed 50 percent of the net worth of the Company.

Note 4: The total amount of external endorsement guarantees shall not exceed the current net worth of the Company's owner.

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

### 3. Securities held at the reporting date (excluding investments in subsidiaries, associates and joint ventures):

Unit: NT \$thousands / thousand shares / thousand units

Name of holder	Category and name of security	Relationship with the company	Account	Ending Balance				Remark
				Shares	Carrying value	Percentage of ownership	Fair value	
Billion Electric Co., Ltd.	Ennova Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	550	6,467	18.33 %	6,467	
Billion Electric Co., Ltd.	Tai Chuang Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,000	53,934	3.33 %	53,934	
Noonspare Energy Technology Co., Ltd.	Jong Shyn Shipbuilding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	68	5,398	0.08 %	5,398	
BEC Technologies Inc.	Invesco QQQ Tr Unit Ser 1	-	Current financial assets at fair value through profit or loss	-	1,406	- %	1,406	
BEC Technologies Inc.	Vaneck Etf Trust Mngstr Wde Moat	-	Current financial assets at fair value through profit or loss	-	272	- %	272	
BEC Technologies Inc.	Berkshire Hathaway Inc	-	Current financial assets at fair value through profit or loss	-	1,310	- %	1,310	

### 4. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD \$100 million or 20% of the capital stock: None.

Supplier (Buyer)	Name of Trading Partner Name of Trading Partner	Relation	Transaction Details				Circumstances and reasons for the difference between the terms of transaction and ordinary transactions		Notes and Accounts Receivable (Payable)	
			Purchase/Sale	Amount	Proportion of total purchase (sales)	Credit period	Unit Price	Credit period	Balance	Proportion of total notes and accounts receivable (payable)
Billion Watts Technologies Co., Ltd.	Xiaping Co., Ltd.	Subsidiaries to associates	Sales	\$124,637	12.45%	Receipt according to contract terms	-	-	21,388	22.10%

### 5. Receivables from related parties with amounts exceeding the lower of TWD \$100 million or 20% of the capital stock: None.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## 6. Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			
				Account	Amount	Payment terms	Percentage of the consolidated net revenue or total assets
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Sales revenue	60,831	The cost-plus pricing is applied for each item.	4.42 %
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Accounts receivable-related parties	18,282	About 3 to 4 months after shipment	0.60 %
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Sales revenue	35,870	The cost-plus pricing is applied for each item.	2.61 %
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Accounts receivable-related parties	7,835	About 3 to 4 months after shipment	0.26 %
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Other receivable-related parties	50,000	Loans of funds	1.63 %
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	1	Other receivables-related parties	40,000	Loans of funds	1.30 %
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Sales revenue	8,124	The cost-plus pricing is applied for each item.	0.59 %
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Accounts receivable-related parties	2,963	About 3 to 4 months after shipment	0.10 %
0	Billion Electric Co., Ltd.	Sheng Chuang Energy Co., Ltd.	1	Sales revenue	10,162	The cost-plus pricing is applied for each item.	0.74 %
0	Billion Electric Co., Ltd.	Sheng Chuang Energy Co., Ltd.	1	Accounts receivable-related parties	10,670	About 3 to 4 months after shipment	0.35 %
0	Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	1	Other receivables-related parties	30,000	Loans of funds	0.98 %
1	Billion Watts Technologies Co., Ltd.	Billion EVC Technologies Co., Ltd.	3	Purchase	4,686	The cost-plus pricing is applied for each item.	0.34 %
1	Billion Watts Technologies Co., Ltd.	Billion Electric Co., Ltd.	2	Other income	27,319	According to the service agreement	1.98 %
2	Noonspare Energy Technology Co., Ltd.	Billion Electric Co., Ltd.	2	Other receivables-related parties	80,000	Loans of funds	2.61 %

Note 1: The method for filling out the code is as follows:

- 0 represents the parent company.
- The subsidiaries are numbered sequentially starting from 1 using Arabic numerals.

Note 2: The types of relationship with counterparty are indicated as follows:

- Parent company to subsidiary.
- Subsidiary to parent company.
- Subsidiary to subsidiary.

Note 3: The business relationships and significant transactions between parent and subsidiary companies are only disclosed the information of sales and accounts receivables, as for the purchases and accounts payables are not repeated.

Note 4: These have been eliminated in the preparation of the consolidated financial statements.

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## (2) Information on investees:

Unit: NT \$thousands / US \$thousands

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Remark
				Ending balance	End of last year	Shares	Percentage of ownership	Carrying value			
Billion Electric Co., Ltd.	BEC Technologies Inc.	U.S.A.	Sales businesses of telecommunication related products	69,257	69,257	2,294	91.76%	167,831	(9,504)	(8,721)	Note 11
Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Taiwan	Provision of solar energy and energy storage solution services, power plant maintenance and management services	135,689	136,689	11,440	61.98%	270,573	46,805	29,361	Note 11
Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Taiwan	Energy Storage Sales	80,000	80,000	8,000	100.00%	33,407	(3,527)	(3,527)	Note 11
Billion Electric Co., Ltd.	Pacific Solar Limited	Seychelles	International investment	-	-	650	100.00%	-	-	-	Note 1
Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	Taiwan	Solar Energy Distribution service of power plant equipment	26,025	26,025	1,837	51.00%	22,139	207	104	Note 11
Billion Electric Co., Ltd.	Billion Electric Holding Co., Ltd.	Taiwan	Investment company	12,000	12,000	1,200	100.00%	916	(52)	(52)	Note 11
Billion Electric Co., Ltd.	Billion EV Charging Technologies Co., Ltd.	Taiwan	Community charging piles and energy storage supply services	19,794	47,794	2,200	100.00%	4,788	(121)	(121)	Note 11
Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	20,000	20,000	2,000	100.00%	21,838	3,669	3,669	Note 11
Billion Electric Co., Ltd.	Xiajing Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	27,000	27,000	2,700	5.24%	23,241	(20,487)	(1,074)	Note 2
Billion Electric Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Sales businesses of telecommunication related products	-	10,626	-	-%	-	(3,426)	(994)	Note 4、11

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Remark
				Ending balance	End of last year	Shares	Percentage of ownership	Carrying value			
Billion Electric Co., Ltd.	Noonspare Energy Technology Co.,Ltd.	Taiwan	Design and manufacturing of lithium battery modules, integration of residential and commercial/industrial energy storage systems, and energy technology services.	218,886	188,370	15,264	58.58%	188,637	(22,546)	(14,340)	Note 11
Billion Electric Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Energy Storage Sales	-	48,601	-	-%	-	(13)	(13)	Note 3 、 11
BEC Technologies Inc.	BEC International, LLC	U.S.A.	International investment	40,996	40,996	-	100.00%	64,105	1,601	1,601	Note 11
BEC Technologies Inc.	Avantek Systems PTE. LTD	Singapore	Cloud software management services	7,911 (USD 270)	8,852 (USD 270)	270	75.00%	8,009	150	113	Note 11
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc.	Taiwan	Design of energy storage software and sales businesses	5,100	5,100	510	51.00%	7,058	3,283	1,675	Note 11
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Taiwan	Development of energy storage project	10,000	100	1,000	100.00%	9,802	(189)	(189)	Note 5 、 11
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Sales businesses of telecommunication-related products	3,494	-	5	100.00%	927	(3,426)	(2,432)	Note 4 、 11
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Australia	Energy storage sales business	-	-	-	100.00%	(2,257)	(2,381)	(2,381)	Note 6 、 11
Billion Watts Technologies Co., Ltd.	Billion AU Holding Pty Ltd.	Australia	Energy storage sales business	-	-	-	100.00%	-	-	-	Note 7
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd.	Japan	Energy storage sales business	-	-	-	100.00%	-	-	-	Note 8
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd.	Australia	Energy storage sales business	2	-	-	100.00%	-	-	-	Note 9 、 11
BL Anakie Solar Pty Ltd.	BL Anakie Solar Nominees Pty Ltd.	Australia	Energy storage sales business	2	-	-	100.00%	-	-	-	Note 10 、 11

Note 1: Pacific Solar Limited was established and registered in Seychelles in 2020. As of June 30, 2025, the Company has not invested capital.

## Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

Note 2: Companies invested in accounted for using the equity method.

Note 3: In March 2025, the Group entered into a share transfer agreement with Foxwell Power Co., Ltd., and the transaction was completed in April 2025. Please refer to Note 6(11) for further details.

Note 4: The Group adjusted its organizational structure in March 2025, and transferred its 100.00% equity originally held by the Company to Billion Watts.

Note 5: Sheng Chuang Energy was established in December 2024, and Billion Watts acquired 100.00% shareholding.

Note 6: The Group acquired 100.00% equity interest in BW AU in January 2025. As of June 30, 2025, the Group has not invested any capital in it.

Note 7: The Group acquired 100.00% equity interest in AU Holding in January 2025. As of June 30, 2025, the Group has not invested any capital in it.

Note 8: Billion Energy was established in February 2025. As of June 30, 2025, the Group has not invested any capital in it.

Note 9: The Group acquired 100.00% equity interest in BL Anakie in March 2025 and included it in the consolidated financial statements.

Note 10: The Group acquired 100.00% equity interest in BL Anakie Solar Nominees in March 2025 and included it in the consolidated financial statements.

Note 11: The transactions on the left have been eliminated in the preparation of the consolidated financial statements.

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

### 14. Segment information

The Group's operating segment information and reconciliation are as follows:

For the three months ended June 30, 2025					
	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 92,664	41,450	597,035	-	731,149
Inter-segment revenue	43,017	397	34,590	(78,004)	-
Total revenue	<u>\$ 135,681</u>	<u>41,847</u>	<u>631,625</u>	<u>(78,004)</u>	<u>731,149</u>
Reportable segment profit or loss	<u>\$ (16,040)</u>	<u>5,991</u>	<u>(40,982)</u>	<u>(786)</u>	(51,817)
Share of loss of associate accounted for using the equity method					(498)
Net loss before tax				\$	<u>(52,315)</u>

For the three months ended June 30, 2024					
	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 68,246	43,360	325,010	-	436,616
Inter-segment revenue	22,228	159	35,362	(57,749)	-
Total revenue	<u>\$ 90,474</u>	<u>43,519</u>	<u>360,372</u>	<u>(57,749)</u>	<u>436,616</u>
Reportable segment profit or loss	<u>\$ (28,574)</u>	<u>(3,825)</u>	<u>31,656</u>	<u>266</u>	(477)

# Billion Electric Co., Ltd. and its Subsidiaries Notes to the Consolidated Financial Statements

## For the three months ended June 30, 2024

	<u>Communications</u>	<u>Power</u>	<u>Renewable Energy</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Share of loss of associate accounted for using the equity method					(402)
Net loss before tax					<u>\$ (879)</u>

## For the six months ended June 30, 2025

	<u>Communications</u>	<u>Power</u>	<u>Renewable Energy</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue from external customers	\$ 168,438	80,770	1,127,315	-	1,376,523
Inter-segment revenue	61,021	605	62,082	(123,708)	-
Total revenue	<u>\$ 229,459</u>	<u>81,375</u>	<u>1,189,397</u>	<u>(123,708)</u>	<u>1,376,523</u>
Reportable segment profit or loss	<u>\$ (11,864)</u>	<u>12,011</u>	<u>5,763</u>	<u>1,082</u>	6,992
Share of loss of associate accounted for using the equity method					(1,074)
Net profit before tax					<u>\$ 5,918</u>

## For the six months ended June 30, 2024

	<u>Communications</u>	<u>Power</u>	<u>Renewable Energy</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue from external customers	\$ 122,138	72,955	770,461	-	965,554
Inter-segment revenue	54,962	1,457	41,473	(97,892)	-
Total revenue	<u>\$ 177,100</u>	<u>74,412</u>	<u>811,934</u>	<u>(97,892)</u>	<u>965,554</u>
Reportable segment profit or loss	<u>\$ (35,492)</u>	<u>(5,241)</u>	<u>101,733</u>	<u>1,648</u>	62,648
Share of loss of associate accounted for using the equity method					(648)
Net profit before tax					<u>\$ 62,000</u>

Segment information on total assets and liabilities is not provided to the chief operating decision maker.