

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

For the Nine Months Ended September 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 the 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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 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 Conclusion

As stated in Note 6 (8), the equity accounted investments of Billion Electric Co., Ltd. and its subsidiaries in its investee companies of \$30,255 and \$25,103 thousand as of September 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 \$986 thousand, \$1,293 thousand, \$2,060 thousand and \$1,941 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 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

November 6, 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

September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NT \$thousands

	Assets		2025.9.30		2024.12.31		2024.9.30		Liabilities and Equity		2025.9.30		2024.12.31		2024.9.30	
	Assets	Amount	%	Amount	%	Amount	%	Amount	%	Current liabilities:	Amount	%	Amount	%	Amount	%
1100	Cash and cash equivalents (note 6 (1) and (30))	\$ 619,076	20	660,036	17	846,349	21	2100	Short-term borrowings (note 6 (18), (30) and (33))	\$ 70,000	2	262,855	7	411,042	10	
1110	Current financial assets at fair value through profit or loss (note 6 (2) and (30))	3,297	-	3,126	-	2,988	-	2110	Short-term notes and bills payable (note 6 (17), (30) and (33))	-	-	79,914	2	99,802	2	
1136	Current financial assets at amortized cost (note 6 (4), (30) and 8)	118,940	4	124,886	3	85,251	2	2130	Current contract liabilities (note 6 (27) and 7)	229,151	7	684,212	18	515,618	13	
1140	Current contract assets (note 6 (27) and 7)	33,609	1	192,149	5	139,286	4	2150	Notes payable (note 6 (30))	-	-	227	-	366	-	
1150	Notes receivable, net (note 6 (5), (27) and (30))	4,831	-	10,034	-	10,482	-	2170	Accounts payable (note 6 (30))	117,078	4	106,436	3	272,081	7	
1170	Accounts receivable, net (note 6 (5), (27) and (30))	128,855	4	129,073	3	158,299	4	2200	Other payable (note 6 (30))	93,669	3	91,259	2	82,441	2	
1180	Accounts receivable - related parties, net (note 6 (5), (27), (30) and 7)	58,614	2	-	-	-	-	2230	Current income tax liabilities	5,240	-	19,007	-	28,003	1	
1200	Other receivables (note 6 (5), (6) and (30))	5,531	-	15,456	-	10,756	-	2280	Current lease liabilities (note 6 (20), (30) and (33))	14,771	1	15,061	-	16,328	-	
1210	Other receivables - related parties (note 6 (6) and 7)	8,093	-	-	-	-	-	2320	Current portion of long-term borrowings (note 6 (19), (30) and (33))	-	-	24,671	1	30,335	1	
1220	Current tax assets	4,490	-	7,034	-	19,680	1	2300	Other current liabilities	11,120	-	11,626	-	22,427	1	
130X	Inventories (note 6 (7))	281,478	9	286,767	7	294,562	7		Total current liabilities	541,029	17	1,295,268	33	1,478,443	37	
1470	Other current assets (note 6 (16))	85,360	3	46,986	1	46,540	1		Non-Current liabilities:							
1482	Current costs of fulfil a contract (note 6 (27))	176,773	6	848,227	22	895,637	22	2540	Long-term borrowings (note 6 (19), (30) and (33))	-	-	1,389	-	2,222	-	
	Total current assets	1,528,947	49	2,323,774	58	2,509,830	62		Deferred tax liabilities	22,087	1	30,583	1	27,525	1	
	Non-current assets:								Non-current lease liabilities (note 6 (20), (30) and (33))	52,940	2	58,767	2	60,298	1	
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (3) and (30))	12,147	-	66,017	2	74,812	2	2640	Net defined benefit liability, non-current	8,691	-	9,377	-	12,939	-	
1535	Non-current financial assets at amortized cost, net (note 6 (4), (30) and 8)	378,324	12	389,119	10	375,293	9	2645	Guarantee deposits received	22,970	1	6,482	-	6,319	-	
1550	Investments accounted for using equity method (note 6 (8))	52,432	2	24,315	1	25,103	1		Total non-current liabilities	106,688	4	106,598	3	109,303	2	
1600	Property, plant and equipment (note 6 (12), (33) and 8)	812,970	26	835,455	22	824,496	20		Total liabilities	647,717	21	1,401,866	36	1,587,746	39	
1755	Right-of-use assets (note 6 (13))	65,063	2	71,779	2	74,811	2		Equity (note 6 (24)):							
1760	Investment property (note 6 (14))	23,685	1	20,981	1	21,070	-	3110	Ordinary shares	1,160,041	37	1,155,328	30	1,155,328	29	
1780	Intangible assets (note 6 (15))	46,484	1	53,038	1	8,667	-	3140	Capital collected in advance	783	-	4,713	-	3,528	-	
1840	Deferred tax asset	17,973	1	21,593	1	21,753	1			1,160,824	37	1,160,041	30	1,158,856	29	
1900	Other non-current assets (note 6 (16))	85,443	3	75,229	2	114,067	3	3200	Capital surplus	687,480	22	692,146	19	693,981	17	
1955	Non-current costs of fulfil a contract (note 6 (27))	97,183	3	-	-	-	-		Retained earnings:							
	Total non-current assets	1,591,704	51	1,557,526	42	1,540,072	38		Legal reserve	227,462	7	227,462	6	227,462	6	
								3310	Special reserve	38,678	1	40,765	1	40,765	1	
								3320	Unappropriated earnings	86,140	3	45,533	1	30,051	1	
								3350		352,280	11	313,760	8	298,278	8	
									Other equity:							
								3410	Exchange differences on translation of foreign financial statements	(5,761)	-	5,240	-	32	-	
								3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(38,408)	(1)	(34,616)	(1)	(25,732)	(1)	
								3500	Treasury stock	(24,677)	(1)	(25,057)	(1)	(25,057)	(1)	
									Total equity attributable to owners of parent	2,131,738	68	2,111,514	55	2,100,358	52	
								36XX	Non-controlling interests	341,196	11	367,920	9	361,798	9	
									Total equity	2,472,934	79	2,479,434	64	2,462,156	61	
	Total assets	\$ 3,120,651	100	3,881,300	100	\$ 4,049,902	100		Total liabilities and equity	\$ 3,120,651	100	3,881,300	100	\$ 4,049,902	100	

(See the attached notes to consolidated financial statements)

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2025 and 2024

Unit: NT \$thousands

		For the three months ended September 30				For the nine months ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6 (27), 7 and 14)	\$ 395,927	100	537,789	100	1,772,450	100	1,503,343	100
5000	Operating costs (notes 6 (7), (12), (13), (15), (22) and 12)	277,559	70	431,482	80	1,427,317	80	1,196,902	80
	Gross profit	118,368	30	106,307	20	345,133	20	306,441	20
	Operating expenses (notes 6 (5), (12), (13), (15), (20), (22), (25) and (28) and 12)								
6100	Selling and marketing expenses	24,902	6	32,409	6	83,454	5	105,800	7
6200	Administrative expenses	47,917	13	49,382	9	160,090	9	133,793	9
6300	Research and development expenses	24,682	6	24,481	5	71,268	4	72,909	5
6450	Expected credit loss (profit)	(3,917)	(1)	3,814	1	3,643	-	3,626	-
	Total operating expenses	93,584	24	110,086	21	318,455	18	316,128	21
	Profit (loss) from operations	24,784	6	(3,779)	(1)	26,678	2	(9,687)	(1)
	Non-operating income and expenses (notes 6 (8), (11), (14), (20), (29) and (30))								
7100	Interest income	4,657	1	6,856	2	16,056	1	25,586	2
7010	Others	11,649	3	4,421	1	73,475	4	17,134	1
7020	Other gains and losses	19,185	5	(40,606)	(8)	(45,212)	(3)	1,338	-
7050	Finance costs	(642)	-	(4,263)	(1)	(4,372)	-	(9,094)	(1)
7060	Share of loss of associates accounted for using equity method	(1,124)	-	(1,293)	-	(2,198)	-	(1,941)	-
	Total non-operating income and expenses	33,725	9	(34,885)	(6)	37,749	2	33,023	2
7900	Profit (loss) before tax	58,509	15	(38,664)	(7)	64,427	4	23,336	1
7950	Less: Income tax expenses (note 6 (23))	5,861	2	3,513	1	20,024	1	21,115	1
8200	Net income (loss)	52,648	13	(42,177)	(8)	44,403	3	2,221	-
8300	Other comprehensive income / (loss) (note 6 (23), (24) and (30))								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	560	-	(436)	-	342	-	(752)	-
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	560	-	(436)	-	342	-	(752)	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	7,494	2	(4,833)	(1)	(15,056)	(1)	8,430	1
8399	Less: Income tax related to items that may be reclassified subsequently to profit or loss	1,318	-	(869)	-	(2,794)	-	1,534	-
	Total items that may be reclassified subsequently to profit	6,176	2	(3,964)	(1)	(12,262)	(1)	6,896	1
8300	Other comprehensive income	6,736	2	(4,400)	(1)	(11,920)	(1)	6,144	1
8500	Total comprehensive income	\$ 59,384	15	(46,577)	(9)	32,483	2	8,365	1
	Net income (loss) attributable to:								
8610	Owners of parent	\$ 50,955	13	(54,470)	(10)	34,916	2	(40,125)	(3)
8620	Non-controlling interests	1,693	-	12,293	2	9,487	1	42,346	3
	Comprehensive income attributable to:	\$ 52,648	13	(42,177)	(8)	44,403	3	2,221	-
8710	Owners of parent	\$ 56,167	14	(58,162)	(11)	23,727	1	(34,362)	(2)
8720	Non-controlling interests	3,217	1	11,585	2	8,756	1	42,727	3
	Earnings (loss) per share (NT \$) (Note 6 (26))	\$ 59,384	15	(46,577)	(9)	32,483	2	8,365	1
9750	Basic earnings (loss) per share	\$ 0.44		(0.48)		0.30		(0.35)	
9850	Diluted earnings (loss) per share	\$ 0.44		(0.48)		0.30		(0.35)	

(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 nine months ended September 30, 2025 and 2024

Unit: NT \$thousands

	Equity attributable to owners of parent												
	Share capital			Retained earnings				Other equity					
	Ordinary share capital	Capital collected in advance	Capital surplus	Statutory earnings surplus reserve	Special surplus reserve	Undistributed surplus	Total retained earnings	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income or (loss)	Exchange differences on translation of foreign financial statements	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2024	\$ 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
Profit (loss)	-	-	-	-	-	(40,125)	(40,125)	-	-	-	(40,125)	42,346	2,221
Other comprehensive income for the period	-	-	-	-	-	-	-	6,138	(375)	-	5,763	381	6,144
Total comprehensive income for the period	-	-	-	-	-	(40,125)	(40,125)	6,138	(375)	-	(34,362)	42,727	8,365
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	7,174	-	(7,174)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(16,109)	16,109	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(42,298)	(42,298)	-	-	-	(42,298)	-	(42,298)
Actual disposal or acquisition of interests in subsidiaries	-	-	(502)	-	-	-	-	-	-	-	(502)	(18,218)	(18,720)
Share-based payment	840	3,528	1,787	-	-	-	-	-	-	-	6,155	75	6,230
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	142,581	142,581
Capital collected in advance transferred to share capital	297	(297)	-	-	-	-	-	-	-	-	-	-	-
Balance as of September 30, 2024	\$ 1,155,328	3,528	693,981	227,462	40,765	30,051	298,278	32	(25,732)	(25,057)	2,100,358	361,798	2,462,156
Balance as of January 1, 2025	\$ 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
Profit	-	-	-	-	-	34,916	34,916	-	-	-	34,916	9,487	44,403
Other comprehensive income for the period	-	-	-	-	-	-	-	(11,001)	(188)	-	(11,189)	(731)	(11,920)
Total comprehensive income for the period	-	-	-	-	-	34,916	34,916	(11,001)	(188)	-	23,727	8,756	32,483
Appropriation and distribution of retained earnings:													
Reversal of special reserve	-	-	-	-	(2,087)	2,087	-	-	-	-	-	-	-
Actual disposal or acquisition of interests in subsidiaries	-	-	(5,256)	-	-	-	-	-	-	-	(5,256)	(24,260)	(29,516)
Share-based payment	-	783	590	-	-	-	-	-	-	380	1,753	7	1,760
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,227)	(11,227)
Capital collected in advance transferred to share capital	4,713	(4,713)	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	3,604	3,604	-	(3,604)	-	-	-	-
Balance as of September 30, 2025	\$ 1,160,041	783	687,480	227,462	38,678	86,140	352,280	(5,761)	(38,408)	(24,677)	2,131,738	341,196	2,472,934

(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 nine months ended September 30, 2025 and 2024

Unit: NT \$thousands

	For the nine months ended	
	September 30	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 64,427	23,336
Adjustments:		
Income and expense items		
Depreciation	48,199	43,772
Amortization	7,068	2,346
Expected credit loss	3,643	3,626
Net gain on financial assets at fair value through profit or loss	(403)	(2,040)
Interest expense	4,372	9,094
Interest income	(16,056)	(25,586)
Dividend income	(277)	(27)
Share-based payment transactions	11,010	292
Share of profit of associates accounted for using equity method	2,198	1,941
Gain on disposal of property, plant and equipment	(340)	(329)
Gain on disposal of subsidiary	(1,056)	-
Unrealized foreign exchange (loss) gain	36,529	(16,282)
Impairment loss on non-financial assets	1,253	27,892
Total income and expense items	<u>96,140</u>	<u>44,699</u>
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	19	32,770
Contract assets	158,540	(70,310)
Notes receivable	5,203	6,498
Accounts receivable	(8,034)	(40,588)
Accounts receivable – related parties	(58,614)	-
Other receivables	1,539	10,112
Other receivables – related parties	(93)	-
Inventories	4,134	42,224
Other current assets	(42,800)	14,629
Costs of fulfill a contract	574,271	(76,324)
Current contract liabilities	(459,104)	(69,771)
Notes payable	(227)	(1,643)
Accounts payable	13,439	84,259
Other payable	(13,109)	(16,711)
Decrease in provisions	-	(9,318)
Other current liabilities	2,732	7,062
Net defined benefit liability	(686)	(3,229)
Total adjustments	<u>273,350</u>	<u>(45,641)</u>

(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 nine months ended September 30, 2025 and 2024

	Unit: NT \$thousands	
	For the nine months ended	
	September 30	
	2025	2024
Cash flows (used in) generated from operations	\$ 337,777	\$ (22,305)
Interest received	16,304	23,826
Interest paid	(4,448)	(8,780)
Income taxes paid	(33,236)	(38,757)
Net cash flows from (used in) operating activities	316,397	(46,016)
Cash flows from investing activities:		
Disposal of financial assets at fair value through other comprehensive income	54,212	-
Acquisition of financial assets measured at amortized cost	-	(9,883)
Disposal of financial assets measured at amortized cost	(13,392)	-
Acquisition of investments accounted for using the equity method	(30,038)	-
Disposal of subsidiaries	49,703	-
Acquisition of property, plant and equipment	(14,974)	(141,741)
Proceeds from disposal of property, plant and equipment	4,346	329
Increase in the receivables – related parties	(8,000)	-
Acquisition of intangible assets	(514)	(2,886)
Cash inflows generated from the merger	-	27,615
Acquisition of investment properties	-	(10,884)
Increase in other non-current assets	(68,437)	(48,474)
Dividends received	277	182
Net cash used in investing activities	(33)	(185,742)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(192,855)	247,342
Increase (decrease) in short-term notes and bills payable	(79,914)	69,904
Increase in long-term borrowings	-	7,900
Decrease in long-term borrowings	(26,060)	(40,038)
Increase in guarantee deposits received	16,488	4,229
Payment of lease liabilities	(12,399)	(10,698)
Issuance of cash dividends	-	(42,298)
Proceeds from employee stock options	1,298	5,938
Treasury stock transferred to employees	380	-
Acquisition of subsidiary equity	(32,704)	(21,120)
Disposal of ownership interests in subsidiaries (without losing control)	3,188	2,400
Change in non-controlling interests	(11,227)	(11,940)
Net cash flows from (used in) financing activities	(333,805)	211,619
Effect of exchange rate changes on cash and cash equivalents	(23,519)	16,828
Net decrease in cash and cash equivalents	(40,960)	(3,311)
Cash and cash equivalents at beginning of period	660,036	849,660
Cash and cash equivalents at end of period	\$ 619,076	\$ 846,349

(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 nine months ended September 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. Approval of Financial Statements

The consolidated financial statements were adopted and issued by the Board of Directors on November 6, 2025.

3. Application of New, Amended 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
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

(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:

Standards or Interpretations	Content of amendment	Effective Date Issued by IASB
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"> ● 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. ● 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 	<p>January 1, 2027</p> <p>Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 starting from the fiscal year 2028. Companies that wish to apply the standard earlier may elect early adoption upon approval by the FSC.</p>

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

Standards or Interpretations	Content of amendment	Effective Date Issued by IASB
	<p>information, how it is calculated, and how it reconciles with amounts recognized under International Financial Reporting Standards (IFRS).</p> <ul style="list-style-type: none"> 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. 	

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” and IFRS 19

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

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

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
			2025.9.30	2024.12.31	2024.9.30	
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%	59.92%	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%	
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%	Note 3
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)	Energy Storage Sales business	-%	100.00%	100.00%	Note 4
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 5
The Company	Billion Sun Energy Storage Technologies Inc. (Billion Sun)	Energy Storage Sales business	-%	100.00%	100.00%	Note 6
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	20.00%	100.00%	-%	Note 7
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd. (Billion Electric JP)	Energy storage sales business	100.00%	-%	-%	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
			2025.9.30	2024.12.31	2024.9.30	
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd. (BW AU)	Energy storage sales business	100.00%	-%	-%	Note 8
Billion Watts Technologies Co., Ltd.	Billion AU Holing Pty Ltd. (AU Holding)	Energy storage sales business	100.00%	-%	-%	Note 9
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd. (Billion Energy)	Energy storage sales business	100.00%	-%	-%	Note 10
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd. (BL Anakie)	Energy storage sales business	30.80%	-%	-%	Note 11

Note 1: For the three months ended March 31, 2025, 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 September 30, 2025, the Company has not invested any capital in it.

Note 3: Billion EV Charging completed capital reductions in February and July 2025, returning capital to shareholders in the amounts of \$28,000 thousand and \$4,743 thousand, respectively. As of September 30, 2025, the Company's ownership interest remained at 100%.

Note 4: Billion Electric JP was established in January 2024. The Group adjusted its organizational structure in March 2025, and transferred its 100% equity originally held by the Company to Billion Watts.

Note 5: 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 6: 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 Company 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 7: Billion Watts entered into an equity transfer agreement with a non-related party and disposed of 80% of its equity interest in Sheng Chuang Energy in July 2025. The equity transfer was completed in September 2025. As a result, the company's ownership interest in Sheng Chuang Energy decreased from 100% to 20%, and the company lost control of Sheng Chuang Energy. Please refer to Note 6(11) for further details.

Note 8: Billion Watts acquired a 100.00% equity interest in BW AU in January 2025 and contributed additional capital by AUD 1,032 thousand in July 2025.

Note 9: The Group acquired 100% equity interest in AU Holding in January 2025. As of September 30, 2025, the Group has not invested any capital in it.

Note 10: Billion Energy was established in February 2025. As of September 30, 2025, the Group has not invested any capital in it.

Note 11: The Group acquired a 100% equity interest in BL Anakie in March 2025. Subsequently, in July 2025, the Group participated in a capital increase together with a non-related party. After the capital increase, the Group's ownership interest decreased from 100% to 30.8%, and the Group lost control of BL Anakie and its subsidiary, BL Anakie Solar Nominees. Please refer to Note 6(11) for further details.

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

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

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.

Income tax relating to items recognized directly in equity or in other comprehensive income is measured based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases, using the tax rates expected to apply when the temporary differences are realized or settled.

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

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

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

	2025.9.30	2024.12.31	2024.9.30
Petty cash	\$ 965	543	690
Bank deposits	413,020	361,226	383,128
Time deposits	52,384	69,857	134,852
Repurchase agreements collateralized by bonds	152,707	228,410	327,679
	\$ 619,076	660,036	846,349

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

	2025.9.30	2024.12.31	2024.9.30
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Foreign listed shares	\$ 1,408	1,367	1,340
Fund beneficiary certificates	1,889	1,759	1,648
	\$ 3,297	3,126	2,988

The amount remeasured at fair value through profit or loss. Please refer to Note 6(29).

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

	2025.9.30	2024.12.31	2024.9.30
Equity instruments at fair value through other comprehensive income:			
Domestic emerging markets stocks	\$ 5,680	-	-
Domestic unlisted stocks	6,467	66,017	74,812
	\$ 12,147	66,017	74,812

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.

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

The Group, due to operational planning, sold certain domestic equity instrument investments designated as at fair value through other comprehensive income on August 29, 2025, and September 4, 2025. The fair value of the investments at the time of disposal was \$54,212 thousand, and the cumulative gain on disposal amounted to \$3,604 thousand. Accordingly, the aforementioned cumulative gain on disposal has been reclassified from other equity to retained earnings.

(4) Financial assets measured at amortized cost

	2025.9.30	2024.12.31	2024.9.30
Current			
Time deposits	\$ 85,704	86,526	39,886
Restricted bank deposits	33,236	38,360	39,365
Repurchase agreements collateralized by bonds	-	-	6,000
	\$ 118,940	124,886	85,251
Non-current			
Time deposits	\$ 10,500	-	-
Restricted bank deposits	367,824	389,119	375,293
	\$ 378,324	389,119	375,293

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

(5) Notes and accounts receivable

	2025.9.30	2024.12.31	2024.9.30
Notes receivable	\$ 4,831	10,034	10,482
Accounts receivable	136,363	133,734	163,578
Accounts receivable – related parties	58,614	-	-
Less: loss allowances	(7,508)	(4,661)	(5,279)
	\$ 192,300	139,107	168,781

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 is determined based on historical and current information, incorporating forward-looking information.

The expected credit losses of the notes and accounts receivable of the Group are analyzed as follows:

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

2025.9.30

	Notes and accounts receivable	Expected weighted average credit loss	Allowance duration expected credit losses
	carrying amount	rate	
Not past due	\$ 187,055	0.06%	103
Past due 1~30 days	4,833	0.78%	110
Past due 31~60 days	266	3.82%	10
Past due 61~90 days	422	12.50%	53
Past due over 91 days	7,232	100%	7,232
	\$ 199,808		7,508

2024.12.31

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

2024.9.30

	Notes and accounts receivable	Expected weighted average credit loss	Allowance duration expected credit losses
	carrying amount	rate	
Not past due	\$ 168,781	0%	-
Past due over 121 days	5,279	100%	5,279
	\$ 174,060		5,279

The movement in the allowance for notes and accounts receivable was as follows:

For the nine months ended September 30

	2025	2024
Beginning balance	\$ 4,661	1,895
Impairment loss recognized	3,643	3,626
Amounts written off as uncollectible	(433)	(254)
Foreign exchange gains and losses	(363)	12
Ending balance	\$ 7,508	5,279

As of September 30, 2025, December 31, 2024 and September 30, 2024, no notes and accounts receivable of the Group were pledged as collateral.

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

(6) Other receivables

	2025.9.30	2024.12.31	2024.9.30
Other receivable – loans to related parties	\$ 8,000	-	-
Other receivables – related parties	93	-	-
Payments on behalf of others receivable	162,273	174,745	168,696
Business tax refund receivable	16	3,889	800
Interest receivable	2,488	2,736	3,933
Other	3,027	8,831	6,023
Less: loss allowances	(162,273)	(174,745)	(168,696)
	\$ 13,624	15,456	10,756

The statement of loss changes in allowance for other receivables of the Consolidated Companies are as follows:

	For the nine months ended September 30	
	2025	2024
Beginning balance	\$ 174,745	163,659
Foreign exchange gains and losses	(12,472)	5,037
Ending balance	\$ 162,273	168,696

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

(7) Inventories

	2025.9.30	2024.12.31	2024.9.30
Raw materials and supplies	\$ 25,490	32,819	36,930
Work in progress	14,684	8,913	2,478
Finished goods	26,299	42,699	22,598
Merchandise inventory	215,005	202,336	232,556
	\$ 281,478	286,767	294,562

Details of operating costs are as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Cost of goods sold	\$ 258,794	413,163	1,334,321	1,173,412
Loss on inventory market value decline (Reversal Gain)	6,481	11,397	58,705	(534)
Inventory obsolescence	1,135	64	1,834	324
Operating costs of solar energy and energy storage	11,149	6,858	32,457	23,700
	\$ 277,559	431,482	1,427,317	1,196,902

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

As of September 30, 2025, December 31, 2024, and September 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:

	2025.9.30		2024.12.31		2024.9.30	
	\$	52,432		24,315		25,103
Associates						
For the three months ended						
	September 30		September 30		September 30	
	2025	2024	2025	2024		
Share of the consolidated group						
Net loss	\$ (1,124)	(1,293)	(2,198)	(1,941)		
Other comprehensive income	-	-	-	-		
Total comprehensive loss	\$ (1,124)	(1,293)	(2,198)	(1,941)		

1. Guarantee

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

2. Investments accounted for using the equity method not reviewed

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income of those investments, except for Sheng Chuang Energy Co., Ltd. and BL Anakie Solar Pty Ltd., which are recognized based on financial statements reviewed by auditors for the same period, were calculated based on financial statements that 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

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

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

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

	Noonspare Energy Technology Co., Ltd.
Transfer Consideration	
Cash	<u>\$ 188,370</u>

2. The fair value of identifiable assets acquired and liabilities assumed at the acquisition date:

	Noonspare Energy Technology Co., Ltd.
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	<u>\$ 338,610</u>

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	<u>(338,610)</u>
	<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 September 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 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 September 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 and 7 thousand shares of Billion Watts Technologies Co., Ltd. from employees at prices of \$40 and \$48 per share, respectively, totaling \$586 thousand, resulting in an increase in the Group's ownership from 59.64% to 59.74%.

In July 2024, the Group disposed of 35 thousand shares of Billion Watts Technologies Co., Ltd. at a price of \$40 per share, totaling \$1,400 thousand, resulting in a decrease in the Group's ownership interest from 59.74% to 59.51%.

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

In September 2024, the Group repurchased 69 thousand shares of Billion Watts Technologies Co., Ltd. from employees at a price of \$40 per share, totaling \$2,740 thousand, resulting in an increase in the Group's ownership interest from 59.51% to 59.92%.

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 disposed of all of its equity interests in its subsidiary, Billion Sun Energy Storage Technologies Inc., for \$46,815 thousand and, as a result, lost control over the subsidiary. The gain on disposal amounted to \$13 thousand, which has been included in "Other gains and losses" in the consolidated statement of comprehensive income.

In March 2025, the Group acquired 100% of the equity interests in BL Anakie Solar Pty Ltd. Subsequently, in July 2025, the Group and a non-related party jointly made a capital contribution to BL Anakie Solar Pty Ltd. As a result, the Group's ownership interest decreased from 100% to 30.8%, and the Group lost control over BL Anakie Solar Pty Ltd. The gain on disposal amounted to \$885 thousand, which has been included in "Other gains and losses" in the consolidated statement of comprehensive income.

In July 2025, the Group entered into a share transfer agreement with a non-related party, with the share transfer completion date on September 9, 2025. The Group disposed of 80% of its equity interests in its subsidiary, Sheng Chuang Energy Co., Ltd., for \$8,000 thousand and, as a result, lost control over the subsidiary. The gain on disposal amounted to \$158 thousand, which has been included in "Other gains and losses" in the consolidated statement of comprehensive income.

1. The carrying amount of net assets at the date of loss of control

	April 1, 2025	September 9, 2025
	Billion Sun Energy Storage Technologies Inc.	Sheng Chuang Energy Co., Ltd.
The carrying amount of net assets at the date of loss of control	\$ 46,802	7,842

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

2. Net cash inflow at the date of loss of control

	Billion Sun Energy Storage Technologies Inc.	Sheng Chuang Energy Co., Ltd.
Consideration received in cash and cash equivalents	\$ 46,815	8,000
Less: Cash and cash equivalent balances disposed of	(3,819)	(1,293)
	\$ 42,996	6,707

(12) Property, plant and equipment

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

	Land	Building	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost :								
Balance as of January 1, 2025	\$ 340,26	219,494	184,745	7,113	37,931	326,746	-	1,116,289
Additions	-	-	2,948	528	2,607	11,015	-	17,098
Disposals	-	-	(13,252)	(639)	(180)	(4,790)	-	(18,861)
Reclassified	-	(5,404)	4,975	-	-	1,902	-	1,473
Effect of exchange rate changes	(1,103)	(4,500)	-	(89)	(628)	-	-	(6,320)
Balance as of September 30, 2025	\$ 339,157	209,590	179,416	6,913	39,730	334,873	-	1,109,679
Balance as of January 1, 2024	\$ 200,288	164,783	89,211	6,890	33,917	304,003	-	799,092
Additions	100,916	23,981	5,725	-	912	5,958	3,958	141,450
Disposals	-	(861)	-	-	(271)	(15,193)	-	(16,325)
Reclassified	38,074	19,723	280	-	97	6,232	-	64,406
Acquisition by merger	-	-	89,391	109	2,756	13,337	-	105,593
Effect of exchange rate changes	446	1,817	-	52	236	(69)	-	2,482
Balance as of September 30, 2024	\$ 339,724	209,443	184,607	7,051	37,647	314,268	3,958	1,096,698
Depreciation :								
Balance as of January 1, 2025	\$ -	73,447	57,982	5,958	31,406	112,041	-	280,834
Depreciation	-	4,686	9,505	371	1,799	18,504	-	34,865
Disposals	-	-	(12,261)	(194)	(180)	(2,220)	-	(14,855)
Reclassified	-	(2,364)	-	-	-	-	-	(2,364)
Effect of exchange rate changes	-	(1,055)	-	(129)	(587)	-	-	(1,771)
Balance as of September 30, 2025	\$ -	74,714	55,226	6,006	32,438	128,325	-	296,709
Balance as of January 1, 2024	\$ -	62,157	38,388	5,519	27,805	75,164	-	209,033
Depreciation	-	3,881	7,117	443	1,762	19,058	-	32,261
Disposals	-	(861)	-	-	(271)	(15,193)	-	(16,325)
Reclassified	-	5,891	37	(292)	10	245	-	5,891
Impairment loss	-	-	-	-	-	27,892	-	27,892
Acquisition by merger	-	-	9,452	43	1,052	2,274	-	12,821
Effect of exchange rate changes	-	351	-	52	226	-	-	629
Balance as of September 30, 2024	\$ -	71,419	54,994	5,765	30,584	109,440	-	272,202

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

	Construction in progress							Total	
	Machinery				and Office Other equipment equipment to be inspected				
	Land	Building	and equipment	Transportation equipment	Office equipment	Other equipment			
Carrying Value :									
September 30, 2025	\$ 339,157	134,876	124,190	907	7,292	206,548	-	812,970	
December 31, 2024	\$ 340,260	146,047	126,763	1,155	6,525	214,705	-	835,455	
September 30, 2024	\$ 339,724	138,024	129,613	1,286	7,063	204,828	3,958	824,496	

Billion Energy Storage Technologies Inc., located at the energy storage site in Su'ao, Yilan, experienced an incident in September 2024. During the process of handling the alarm deactivation procedure, a security staff member from an outsourced security company accidentally triggered a switch, activating the fire protection equipment of the energy storage system. This resulted in contamination and damage to the site equipment due to chemical agents.

The Group has initiated relevant insurance claims and external compensation procedures in response to this incident. Based on assessments, the potential scope of damage includes an impairment loss of \$27,892 thousand for equipment such as battery modules. The Group will continue to evaluate the impact of the losses as the situation develops.

As of September 30, 2025, December 31, 2024 and September 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:

	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	-	2,452	-	3,830	-	6,282
Disposals	-	-	(143)	(5,059)	(251)	(5,453)
Balance as of September 30, 2025	\$ 14,705	82,321	844	11,978	-	109,848
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	-	(305)	(352)	(1,027)	-	(1,684)
Balance as of September 30, 2024	\$ 13,042	82,955	987	13,022	251	110,257

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
Depreciation of right-of-use assets:						
Balance as of January 1, 2025	\$ 3,656	24,787	424	8,137	236	37,240
Depreciation	1,104	8,163	352	3,364	15	12,998
Disposals	-	-	(143)	(5,059)	(251)	(5,453)
Balance as of September 30, 2025	\$ 4,760	32,950	633	6,442	-	44,785
Balance as of January 1, 2024						
	\$ 2,400	17,426	293	5,365	153	25,637
Depreciation	928	6,939	341	3,006	63	11,277
Acquisition by merger	-	-	-	216	-	216
Disposals	-	(305)	(352)	(1,027)	-	(1,684)
Balance as of September 30, 2024	\$ 3,328	24,060	282	7,560	216	35,446
Carrying Value :						
September 30, 2025	\$ 9,945	49,371	211	5,536	-	65,063
December 31, 2024	\$ 11,049	55,082	563	5,070	15	71,779
September 30, 2024	\$ 9,714	58,895	705	5,462	35	74,811

(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:

		Buildings and structures	Total
	Land		
Cost :			
Balance as of January 1, 2025	\$ 5,319	18,390	23,709
Reclassified	-	5,404	5,404
Balance as of September 30, 2025	\$ 5,319	23,794	29,113
Balance as of January 1, 2024	\$ 43,393	25,134	68,527
Additions	-	10,884	10,884
Reclassified	(38,074)	(17,628)	(55,702)
Balance as of September 30, 2024	\$ 5,319	18,390	23,709

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

	Land	Buildings and structures	Total
Depreciation :			
Balance as of January 1, 2025	\$ -	2,728	2,728
Depreciation	- -	336	336
Reclassified	- -	2,364	2,364
Balance as of September 30, 2025	<u>\$ -</u>	<u>5,428</u>	<u>5,428</u>
Balance as of January 1, 2024	\$ -	8,296	8,296
Depreciation	- -	234	234
Reclassified	- -	(5,891)	(5,891)
Balance as of September 30, 2024	<u>\$ -</u>	<u>2,639</u>	<u>2,639</u>
Carrying Value :			
September 30, 2025	<u>\$ 5,319</u>	<u>18,366</u>	<u>23,685</u>
December 31, 2024	<u>\$ 5,319</u>	<u>15,662</u>	<u>20,981</u>
September 30, 2024	<u>\$ 5,319</u>	<u>15,751</u>	<u>21,070</u>
Fair Value :			
September 30, 2025			<u>\$ 87,355</u>
December 31, 2024			<u>\$ 60,151</u>
September 30, 2024			<u>\$ 35,464</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 September 30, 2025, December 31, 2024 and September 30, 2024, the above investment property has been provided as a guarantee for financing, please refer to Note 8.

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 September 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	-	-	2,886	-	2,886
Acquisition by merger	-	-	3,165	-	3,165
Balance as of September 30, 2024	<u>\$ -</u>	<u>-</u>	<u>19,823</u>	<u>-</u>	<u>19,823</u>
Amortization:					
Balance as of January 1, 2025	\$ -	2,143	11,139	2,040	15,322
Current amortization	-	<u>2,143</u>	<u>2,885</u>	<u>2,040</u>	<u>7,068</u>
Balance as of September 30, 2025	<u>\$ -</u>	<u>4,286</u>	<u>14,024</u>	<u>4,080</u>	<u>22,390</u>
Balance as of January 1, 2024	\$ -	-	7,864	-	7,864
Current amortization	-	-	2,346	-	2,346
Acquisition by merger	-	-	946	-	946
Balance as of September 30, 2024	<u>\$ -</u>	<u>-</u>	<u>11,156</u>	<u>-</u>	<u>11,156</u>
Book value:					
September 30, 2025	<u>\$ 19,429</u>	<u>15,714</u>	<u>5,221</u>	<u>6,120</u>	<u>46,484</u>
December 31, 2024	<u>\$ 19,429</u>	<u>17,857</u>	<u>7,592</u>	<u>8,160</u>	<u>53,038</u>
September 30, 2024	<u>\$ -</u>	<u>-</u>	<u>8,667</u>	<u>-</u>	<u>8,667</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:

	2025.9.30	2024.12.31	2024.9.30
Current			
Prepayments for purchases	\$ 46,740	3,681	8,849
Prepaid expenses	29,198	13,776	15,730
Offset against business tax payable	6,851	18,086	16,403
Other	2,571	11,443	5,558
Total	\$ 85,360	46,986	46,540
Non-current			
Prepayments for equipment	\$ 3,223	9,930	14,807
Guarantee deposits paid	81,661	64,802	64,196
Long-term prepaid expenses	559	497	537
Other	-	-	34,527
Total	\$ 85,443	75,229	114,067

(17) Short-term notes and bills payable

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

	2024.12.31		
	Guarantee or acceptance institute	Range of interest rates	Amount
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			\$ 79,914

	2024.9.30		
	Guarantee or acceptance institute	Range of interest rates	Amount
Commercial paper payable	China Bills Finance Corporation	1.48%	\$ 20,000
Commercial paper payable	Taiwan Finance Corporation	1.92%	20,000
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.04%	30,000
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation	1.95%	30,000
Less: Unamortized discount on bills payable			(198)
Total			\$ 99,802

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:

	2025.9.30	2024.12.31	2024.9.30
Secured bank loans	\$ 20,000	198,055	332,178
Unsecured bank loans	50,000	64,800	78,864
Total	\$ 70,000	262,855	411,042
Unused Credit Facility	\$ 1,315,155	893,301	780,591
Range of interest rates	2.19%~2.50%	1.98%~3.176%	1.98%~2.58%

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

(19) Long-term borrowings

	2024.12.31		
	Interest rate	Year of maturity	Amount
Currency	(%)		
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			\$ 1,389
Unused Credit Facility			\$ 12,100

	2024.9.30		
	Interest rate	Year of maturity	Amount
Currency	(%)		
Secured bank loans	TWD 1.95%	2025	\$ 19,102
Unsecured bank loans	TWD 2.13%~2.82%	2025~2026	13,455
Less: current portion			(30,335)
Total			\$ 2,222
Unused Credit Facility			\$ -

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:

	2025.9.30	2024.12.31	2024.9.30
Current	\$ 14,771	15,061	16,328
Non-current	<u>\$ 52,940</u>	<u>58,767</u>	<u>60,298</u>

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		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 348	396	1,068	1,020
Variable lease payments not included in the measurement of lease liabilities	\$ 152	159	372	388
Expenses relating to short-term leases	<u>\$ 1,997</u>	<u>3,947</u>	<u>6,847</u>	<u>14,512</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 94</u>	<u>267</u>	<u>271</u>	<u>449</u>

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

	For the nine months ended September 30	
	September 30	
	2025	2024
Total cash outflow for leases	\$ 20,957	27,067

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.

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

(21) Provisions-current

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
	\$	-	-
Subsidy for equity transaction	-	-	-

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 \$95 thousand for the three months ended September 30, 2025 and 2024, respectively, and \$105 thousand and \$237 thousand for the nine months ended September 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 \$2,720 thousand and \$2,876 thousand for the three months ended September 30, 2025 and 2024, respectively, and \$8,341 thousand and \$8,107 thousand for the nine months ended September 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 nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Current income tax expense	\$ 2,947	3,513	22,106	21,115
Deferred income tax expense (benefit)	2,914	-	(2,082)	-
Income tax expense	\$ 5,861	3,513	20,024	21,115

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ 1,318	(869)	(2,794)	1,534

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 nine months ended September 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 September 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 115,533 thousand shares of common stock issued, respectively. All issued shares were received.

For the nine months ended September 30, 2025, the Company issued 78 thousand new shares due to the exercise of employee stock options at par value, totaling \$783 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.

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

For the nine months ended September, 30, 2024, the Company issued 437 thousand new shares due to the exercise of employee stock options at par value, totaling \$4,368 thousand. All issued shares have been fully paid, and the relevant statutory registration procedures of 84 thousand shares have been completed.

2. Capital surplus

The components of capital surplus were as follows:

	2025.9.30	2024.12.31	2024.9.30
Share premium	\$ 634,564	634,159	633,447
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 amount of subsidiaries acquired or disposed	14,521	19,777	21,947
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	965
Donations	1,890	1,890	1,890
	\$ 687,480	692,146	693,981

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

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

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 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.

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 (in dollars)	Amount	rate (in dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ -	-	0.37	\$ <u>42,298</u>

4. Treasury Shares

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

	For the nine months ended		For the nine months ended	
	September 30, 2025		September 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	<u>1,126</u>	<u>\$ 24,677</u>	<u>1,146</u>	<u>\$ 25,057</u>

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

The number of uncancelled treasury shares of the Company on September 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.

5. Other equity (net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized 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	-	-	9,487	9,487
Exchange differences on translating the financial statements of foreign operations	(11,001)	-	(1,261)	(12,262)
Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income	-	(188)	530	342
Disposal of equity instruments measured at fair value through other comprehensive income	-	(3,604)	-	(3,604)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(24,260)	(24,260)
Share-based payment	-	-	7	7
Cash dividend	-	-	(11,227)	(11,227)
Balance as of September 30, 2025	\$ (5,761)	(38,408)	341,196	297,027

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

	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, 2024	\$ (6,106)	(25,357)	194,633	163,170
Profit	-	-	42,346	42,346
Exchange differences on translating the financial statements of foreign operations	6,138	-	758	6,896
Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income	-	(375)	(377)	(752)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(18,218)	(18,218)
Share-based payment	-	-	75	75
Cash dividend	-	-	(11,940)	(11,940)
Other	-	-	154,521	154,521
Balance as of September 30, 2024	<u>\$ 32</u>	<u>(25,732)</u>	<u>361,798</u>	<u>336,098</u>

(25) Share-based payments

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Share-based compensation expenses	\$ (240)	56	11,010	292

(26) Earnings (loss) 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 nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Profit (loss) attributable to the Company	\$ 50,955	(54,470)	34,916	(40,125)

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

(2) Weighted-average number of ordinary shares outstanding

Unit: thousand shares

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares outstanding	114,950	114,493	114,920	114,389

2. Diluted earnings (loss) per share

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Profit (loss) attributable to the Company	\$ 50,955	\$ (54,470)	34,916	(40,125)

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

Unit: thousand shares

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares outstanding (basic)	114,950	114,493	114,920	114,389
Effect of potentially dilutive ordinary shares:				
Effect of employee share options	12		28	
Effect of employee stock bonus	65		65	
Weighted-average number of ordinary shares outstanding (diluted)	115,027		115,013	

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Basic earnings (loss) per share	\$ 0.44	\$ (0.48)	\$ 0.30	\$ (0.35)
Diluted earnings (loss) per share	\$ 0.44	\$ (0.48)	\$ 0.30	\$ (0.35)

For the three months and nine months of ended September 30, 2024, 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

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

calculation of diluted loss per share.

(27) Revenue from contracts with customers

1. Disaggregation of revenue

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Primary geographical markets:				
Asia	\$ 257,224	473,091	1,457,613	1,315,084
America	85,996	63,728	258,200	173,237
Other countries	52,707	970	56,637	15,022
	\$ 395,927	537,789	1,772,450	1,503,343
Main products:				
Communication equipment	87,196	63,842	255,634	185,980
Power plant equipment	39,834	37,317	120,604	110,272
Energy storage—equipment sales	135,238	263,392	1,110,818	549,477
Energy storage—system Integration	80,202	144,942	188,665	586,275
Energy storage—other	53,457	28,296	96,729	71,339
	\$ 395,927	537,789	1,772,450	1,503,343

2. Contract balances

	2025.9.30	2024.12.31	2024.9.30
Notes receivable	\$ 4,831	10,034	10,482
Accounts receivable	136,363	133,734	163,578
Accounts receivable – related parties	58,614	-	-
Less: loss allowances	(7,508)	(4,661)	(5,279)
	\$ 192,300	139,107	168,781
Current costs of fulfill a contract	\$ 176,773	848,227	895,637
Current contract assets	\$ 33,609	192,149	139,286
Non-current costs of fulfill a contract	\$ 97,183	-	-
Current contract liabilities	\$ 229,151	684,212	515,618

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.

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

(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 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 nine months ended September 30, 2025 and 2024, the renumerations to employees amounted to \$1,671 thousand, (\$1,723) thousand, \$1,671 thousand and \$0 thousand, respectively, and the renumerations to directors amounted to \$200 thousand, (\$500) thousand, \$200 thousand and \$0 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 nine months ended September 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.

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(29) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Interest on bank deposits	\$ 4,291	4,130	12,441	18,018
Other interest income	366	2,726	3,615	7,568
	\$ 4,657	6,856	16,056	25,586

2. Other income

The details of other income were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Rental income	\$ 1,020	1,357	5,263	4,432
Dividend income	275	27	277	27
Government grant income	1	650	1	650
Others	10,353	2,387	67,934	12,025
	\$ 11,649	4,421	73,475	17,134

3. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Gain on disposal of property, plant and equipment	\$ 332	-	340	329
Foreign exchange gains (losses)	15,856	(13,109)	(45,125)	27,438
Gains on financial assets at fair value through profit or loss	192	721	403	2,040
Gain on disposal of subsidiary	1,043	-	1,056	-
Impairment loss on property, plant, and equipment	-	(27,892)	-	(27,892)
Other impairment losses	(1,253)	-	(1,253)	-
Others	3,015	(326)	(633)	(577)
	\$ 19,185	(40,606)	(45,212)	1,338

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4. Finance costs

The details of finance costs were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 284	3,169	2,570	6,381
Interest on lease liabilities	348	396	1,068	1,020
Interest on other borrowings	10	229	192	854
Interest on short-term notes and bills payable	-	469	542	839
	\$ 642	4,263	4,372	9,094

(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

Concentration of credit risk

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group reviewed the concentrations of credit risk arising from the major top five customers, and it was 16.82%, 20.17% and 19.55%, 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.

	Carrying	Contractual	Within 12	Over 5	
	value	cash flows	months	1-5 years	years
September 30, 2025					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 210,747	210,747	210,747	-	-
Lease liabilities (including current portion)	67,711	71,443	15,970	44,932	10,541
Floating interest rate liabilities	70,000	71,066	71,066	-	-
Total	\$ 348,458	353,526	297,783	44,932	10,541

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
December 31, 2024					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 197,922	197,922	197,922	-	-
Lease liabilities (including current portion)	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	-	-
Total	\$ 640,579	646,916	583,506	47,842	15,568
September 30, 2024					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 354,888	354,888	354,888	-	-
Lease liabilities (including current portion)	76,626	81,422	17,690	46,989	16,743
Floating interest rate liabilities	416,597	417,973	415,728	2,245	-
Fixed interest rate liabilities	126,804	127,679	127,679	-	-
Total	\$ 974,915	981,962	915,985	49,234	16,743

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

3. Market risk

(1) Exchange rate risk

A. Exposure to foreign exchange risk

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

	2025.9.30			2024.12.31			2024.9.30		
	Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD
Financial assets									
Monetary items									
USD	\$ 20,459	30.445	622,865	30,198	32.785	990,042	31,897	31.650	1,009,530
EUR	9	35.770	324	201	34.140	6,850	201	35.380	7,109
JPY	1,306	0.206	269	27,213	0.210	5,712	18,679	0.222	4,152
RMB	14	4.271	59	-	-	-	240	4.523	1,085
AUD	719	20.110	14,458	-	-	-	-	-	-

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

2025.9.30				2024.12.31				2024.9.30			
Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD			
Financial liabilities											
<u>Monetary items</u>											
USD	215	30.445	6,540	934	32.785	30,615	1,062	31.650	33,620		
RMB	2,621	4.271	11,194	1,765	4.478	7,905	600	4.523	2,716		

B. 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 September 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 nine months ended September 30, 2025 and 2024, would have increased or decreased by \$31,012 thousand and \$49,277 thousand, respectively. The analysis for both periods is based on the same assumptions.

C. 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 nine months ended September 30, 2025 and 2024, the foreign exchange gains (losses) (including realized and unrealized) were (\$45,125) thousand and \$27,438 thousand, respectively.

(2) 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 had increased/decreased by 0.25%, the Group's profit before tax would have decreased/increased by \$175 thousand and \$1,041 thousand, for the

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

nine months ended September 30, 2025 and 2024, respectively, with all other variable factors remaining constant.

(3) 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 nine months ended September 30, 2025		For the nine months ended September 30, 2024	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Increasing 10%	\$ 1,215	330	7,481	299
Decreasing 10%	\$ (1,215)	(330)	(7,481)	(299)

4. Fair value and carrying amount

(1) Categories and fair value of financial instruments

The financial assets 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 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:

	2025.9.30				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	\$ 3,297	3,297	-	-	3,297
Financial assets at fair value through other comprehensive income					
Domestic emerging markets stocks	5,680	-	5,680	-	5,680
Domestic unlisted stocks	6,467	-	-	6,467	6,467
Sub-total	12,147	-	5,680	6,467	12,147

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2025.9.30					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	619,076	-	-	-	-
Financial assets measured at amortized cost	497,264	-	-	-	-
Notes and accounts receivable (including related parties)	192,300	-	-	-	-
Other receivables	13,624	-	-	-	-
Sub-total	<u>1,322,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,337,708</u>	<u>3,297</u>	<u>5,680</u>	<u>6,467</u>	<u>15,444</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 70,000	-	-	-	-
Accounts payable	117,078	-	-	-	-
Other payables	93,669	-	-	-	-
Lease liabilities (including current portion)	67,711	-	-	-	-
Total	<u>\$ 348,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024.12.31					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through other comprehensive income	\$ 3,126	3,126	-	-	3,126
Domestic unlisted stocks	66,017	-	-	66,017	66,017
Financial assets measured at amortized cost					
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	<u>1,328,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,397,747</u>	<u>3,126</u>	<u>-</u>	<u>66,017</u>	<u>69,143</u>

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
Financial liabilities measured at amortized cost					
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	-	-	-	-
Total	\$ 640,579	-	-	-	-
2024.9.30					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through other comprehensive income	\$ 2,988	2,988	-	-	2,988
Domestic and foreign unlisted stocks	74,812	-	-	74,812	74,812
Financial assets measured at amortized cost					
Cash and cash equivalents	846,349	-	-	-	-
Financial assets measured at amortized cost	460,544	-	-	-	-
Notes and accounts receivable	168,781	-	-	-	-
Other receivables	10,756	-	-	-	-
Sub-total	1,486,430	-	-	-	-
Total	\$ 1,564,230	2,988	-	74,812	77,800

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2024.9.30						
	Carrying value	Fair value				
		Level 1	Level 2	Level 3	Total	
Financial liabilities measured at						
amortized cost						
Short-term loans	\$ 411,042	-	-	-	-	
Short-term notes and bills payable	99,802	-	-	-	-	
Notes and accounts payable	272,447	-	-	-	-	
Other payables	82,441	-	-	-	-	
Lease liabilities (including current portion)	76,626	-	-	-	-	
Long-term borrowings (including current portion)	32,557	-	-	-	-	
Total	\$ 974,915	-	-	-	-	

(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.

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

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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.

(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.

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

(4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income	Unquoted equity instruments
Balance as of January 1, 2025		\$ 66,017
Total profit or loss		
Recognized in other comprehensive income (loss)	(1,152)	
Disposal	(53,000)	
Transfers out of Level 3	(5,398)	
Balance as of September 30, 2025	<u>\$ 6,467</u>	
Balance as of January 1, 2024	\$ 69,327	
Total profit or loss		
Recognized in other comprehensive income (loss)	(752)	
Acquisition by merger	6,237	
Balance as of September 30, 2024	<u>\$ 74,812</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 September 30, 2025, and 2024 are as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Total Loss—Recognized in Other Comprehensive Income or Loss (Reported under “Unrealized Valuation Gain on Financial Assets Measured at Fair Value Through Other Comprehensive Income)	\$ 993	(436)	775	(752)

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

(5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Level 3 of the Group's fair value measurement mainly refers to financial assets without active markets measured at fair value through other comprehensive income. Domestic and foreign unlisted (over-the-counter) equity investments are valued using the comparable listed company method. This method refers to companies engaged in the same or similar businesses whose shares are traded at observable prices in active markets. The valuation is determined by applying value multiples implied by those prices and adjusting for liquidity discounts to estimate the fair 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 processes 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.

(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 nine months ended September 30	
	2025	2024
Acquisition of property, plant and equipment	\$ 17,098	141,450
Add: Beginning balance of equipment payable	322	672
Less: Ending balance of equipment payable	(2,446)	(381)
Cash payments	\$ 14,974	141,741

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

			Non-cash changes and others		
	2025.1.1	Cash flows	Additions	Others	2025.9.30
Short-term borrowings	\$ 262,855	(192,855)	-	-	70,000
Short-term notes and bills payable	79,914	(79,914)	-	-	-
Lease liabilities (including current portion)	73,828	(12,399)	6,282	-	67,711
Long-term borrowings (including current portion)	26,060	(26,060)	-	-	-
Total liabilities from financing activities	<u><u>\$ 442,657</u></u>	<u><u>(311,228)</u></u>	<u><u>6,282</u></u>	<u><u>-</u></u>	<u><u>137,711</u></u>

			Non-cash changes and others		
	2024.1.1	Cash flows	Additions	Others	2024.9.30
Short-term borrowings	\$ 148,700	247,342	-	15,000	411,042
Short-term notes and bills payable	29,898	69,904	-	-	99,802
Lease liabilities (including current portion)	59,612	(10,698)	27,407	305	76,626
Long-term borrowings (including current portion)	64,695	(32,138)	-	-	32,557
Total liabilities from financing activities	<u><u>\$ 302,905</u></u>	<u><u>274,410</u></u>	<u><u>27,407</u></u>	<u><u>15,305</u></u>	<u><u>620,027</u></u>

7. Related party transactions

(1) Names relationship and with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related parties	Relationship with the Group
Xiajing Co., Ltd.	Associates
Sino-American Silicon Products Inc.	The company is the corporate director serving as the chairman of the Company
Sheng Chuang Energy Co., Ltd.	Associates
Susen Green Energy Co., Ltd.	The investee has the same corporate chairman as the Company
BL Anakie Solar Pty Ltd.	Associates

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(2) Significant transactions with related parties

1. Operating revenue

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

Related Party Category/Name	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Associates:				
Xiajing Co., Ltd.	\$ 8,598	107,072	133,235	202,248
BL Anakie Solar Pty Ltd.	52,869	-	52,869	-
Other parties				
Sino-American Silicon Products Inc.	224	-	2,360	-
Susen Green Energy Co., Ltd.	1,358	-	1,358	-
	\$ 63,049	107,072	189,822	202,248

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

2. Contract balances

Account	Related Party Category/Name	2025.9.30	2024.12.31	2024.9.30
Associates:				
Contract assets	Xiajing Co., Ltd.	\$ -	13,900	15,223
Associates:				
Contract liabilities	Xiajing Co., Ltd.	\$ -	70,133	70,302

3. Amounts receivable to related parties

Account	Related Party Category/Name	2025.9.30	2024.12.31	2024.9.30
Associates:				
Account receivable - related parties	Xiajing Co., Ltd.	\$ 20,323	-	-
Account receivable - related parties	BL Anakie Solar Pty Ltd.	37,904	-	-

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

Account	Related Party Category/Name	2025.9.30			2024.12.31			2024.9.30		
		2025.9.30	2024.12.31	2024.9.30	2025.9.30	2024.12.31	2024.9.30	2025.9.30	2024.12.31	2024.9.30
Other parties:										
Account receivable - related parties	Sino-American Silicon Products Inc.		214			-		-		-
Account receivable - related parties	Susen Green Energy Co., Ltd.		173			-		-		-
		\$ 58,614			-			-		-
Associates:										
Other receivable - related parties	Sheng Chuang Energy Co., Ltd.	\$ 93			-			-		-
		\$ 93			-			-		-

4. Loans to related parties

Account	Related Party Category/Name	2025.9.30			2024.12.31			2024.9.30		
		2025.9.30	2024.12.31	2024.9.30	2025.9.30	2024.12.31	2024.9.30	2025.9.30	2024.12.31	2024.9.30
Associates:										
Other receivable - related parties	Sheng Chuang Energy Co., Ltd.	\$ 8,000			-			-		-

Account	Related Party Category/Name	For the three months ended		For the nine months ended	
		September 30		September 30	
		2025	2024	2025	2024
Associates:					
Interest income	Sheng Chuang Energy Co., Ltd.	\$ 8	-	8	-

During 2025, the Company provided an unsecured loan with a maturity of one year to Sheng Chuang Energy Co., Ltd. The interest rate was 2.3%, which was comparable to the prevailing market interest rates. The loan is expected to be repaid within one year, and based on the assessment, no expected credit loss is required to be recognized.

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(3) Key management personnel transactions

Key management personnel compensation comprised:

Related Party Category/Name	For the three months ended		For the nine months ended	
	September 30	2024	September 30	2024
Short-term employee benefits	\$ 6,013	6,842	22,093	20,089
Post-employment benefits	227	254	681	564
Share-based payments	3	42	34	62
	\$ 6,243	7,138	22,808	20,715

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:

Account	Related Party Category/Name	2025.9.30	2024.12.31	2024.9.30
Financial assets measured at amortized cost-current	Short-term borrowings, short-term notes and bills payable and performance guarantee	\$ 33,236	38,360	45,365
Financial assets measured at amortized cost -non-current	Agreement items in note 9 (3) and loans	\$ 367,824	389,119	375,293
Property, plant and equipment	Long-term loans	\$ 183,563	187,763	187,763
Property, plant and equipment	Long-term loans	\$ 53,719	55,157	55,636
Property, plant and equipment	Long-term loans	\$ -	6,564	6,683

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) Contingent liabilities:

	2025.9.30	2024.12.31	2024.9.30
Purchase of inventory	\$ 34,742	29,750	53,223
Purchase of intangible assets	-	-	233
	\$ 34,742	29,750	53,456

(2) As of September 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

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

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 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 September 30, 2025, demand deposits of \$24,853 thousand and time deposits of \$342,971 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

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

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 November 2025, the Company was notified by the South China International Economic and Trade Arbitration Commission that the award period would be extended to December 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 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.

(5) The Group’s subsidiary, Billion Watts Technologies Co., Ltd. (hereinafter referred to as “Billion Watts”), a subsidiary of the Group, received a notice from the Civil Division of the Taipei District Court on September 2, 2025, together with a statement of claim filed by Innolux Energy Technology Co., Ltd. (hereinafter referred to as “Innolux”). The lawsuit arises from disputes between Billion Watts and Innolux regarding land development consultancy service fees and related consultancy matters. Accordingly, Innolux initiated a civil action against Billion Watts, claiming a total payment of \$100,800 thousand. With respect to the aforementioned litigation, Billion Watts has engaged legal counsel to handle the matter and submitted its statement of defense by the end of September 2025. At present, both parties are awaiting the court’s scheduling of the hearing.

10. Significant disaster loss: None.

11. Significant subsequent events: None.

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

12. Others

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

Function By item	For the three months ended September 30, 2025				For the three months ended September 30, 2024			
	Operating costs	Operating expenses	non-operating expenses	Total	Operating costs	Operating expenses	non-operating expenses	Total
Employee benefits expense								
Wages and salaries	14,011	60,490	-	74,501	13,635	54,377	-	68,012
Labor and health insurance	1,340	4,353	-	5,693	1,386	4,590	-	5,976
Pension	635	2,120	-	2,755	657	2,314	-	2,971
Other employee benefits	709	2,072	-	2,781	956	2,932	-	3,888
Depreciation	9,439	6,737	112	16,288	9,673	6,205	35	15,913
Amortization	40	2,307	-	2,347	-	1,078	-	1,078

Function By item	For the nine months ended September 30, 2025				For the nine months ended September 30, 2024			
	Operating costs	Operating expenses	non-operating income and expenses	Total	Operating costs	Operating expenses	non-operating income and expenses	Total
Employee benefits expense								
Wages and salaries	44,589	189,431	-	234,020	40,263	158,311	-	198,574
Labor and health insurance	4,228	13,412	-	17,640	3,717	13,634	-	17,351
Pension	1,979	6,467	-	8,446	1,783	6,561	-	8,344
Other employee benefits	3,024	7,339	-	10,363	2,367	7,508	-	9,875
Depreciation	27,657	20,206	336	48,199	29,552	13,986	234	43,772
Amortization	67	7,001	-	7,068	-	2,346	-	2,346

(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 nine months ended September 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	-	-	-	106,586 (Note 3)	426,347 (Note 3)
0	Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Other receivables	YES	30,000	30,000	-	2.30%	2	-	Operating turnover	-	-	-	106,586 (Note 3)	426,347 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	YES	50,000	50,000	50,000	2.30%	2	-	Operating turnover	-	-	-	106,586 (Note 3)	426,347 (Note 3)
1	BEC Technologies Inc.	BEC International, LLC	Other receivables	YES	19,923 (Note 5)	18,267 (Note 5)	913	0.00%	2	-	Repayment of bank loans	-	-	-	21,866 (Note 4)	43,732 (Note 4)
2	Noonspare Energy Technology Co., Ltd.	Billion Electric Co., Ltd.	Other receivables	YES	80,000	80,000	-	1.70%	2	-	Repayment of bank loans	-	-	-	78,209 (Note 6)	78,209 (Note 6)
3	Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	Other receivables	YES	20,000	20,000	-	0.00%	2	-	Operating turnover	-	-	-	23,036 (Note 7)	92,145 (Note 7)
3	Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Other receivables	YES	15,000	15,000	8,000	2.30%	2	-	Operating turnover	-	-	-	23,036 (Note 7)	92,145 (Note 7)

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 \$30 thousand. The ending exchange rate is USD 1 to NTD 30.445

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

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

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

Note 7: According to Billion Watts Technologies 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 5% of the net value of the owner of Billion Watts Technologies Co., Ltd. for the current period.
 (2) The total amount of external loans shall not exceed 20% of the net value of the owner of Billion Watts Technologies Co., Ltd. for the current period

Note8: Except for the transactions between Billion Watts Technologies Co., Ltd. and Sheng Chuang Energy Co., Ltd., all remaining intercompany transactions between the Company and its subsidiaries were eliminated upon the preparation of the consolidated financial statements.

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	Endorsements/s/guarantees to third parties on behalf of subsidiary	Guarantees to third parties on behalf of parent company	Endorsements/s/guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the Company (Note 2)												
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	2	1,065,869	60,000	15,000	-	-	0.70%	2,131,738	Y	N	N	N	
0	Billion Electric Co., Ltd.	Taichuang Energy Co., Ltd.	6	1,065,869	125,000	125,000	-	-	5.86%	2,131,738	N	N	N	N	

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 types.

Note 2: The relationship between the endorser/guarantor and the party being endorsed/guaranteed is as follows:

(1) Companies with business transactions.
 (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
 (3) Companies that directly and indirectly hold more than 50% of the voting shares in the Company.
 (4) companies in which the company directly and indirectly holds more than 90% of the voting shares.
 (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 (6) A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
 (7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

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 endorsements/guarantees provided shall not exceed the net worth of the Company.

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	
Noonspare Energy Technology Co., Ltd.	Jong Shyn Shipbuliding Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	60	5,680	0.07 %	5,680	
BEC Technologies Inc.	Invesco QQQ Tr Unit Ser 1	-	Current financial assets at fair value through profit or loss	-	1,590	- %	1,590	
BEC Technologies Inc.	Vaneck Etf Trust Mngstr Wde Moat	-	Current financial assets at fair value through profit or loss	-	299	- %	299	
BEC Technologies Inc.	Berkshire Hathaway Inc	-	Current financial assets at fair value through profit or loss	-	1,408	- %	1,408	

4. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD \$100 million or 20% of the capital stock:

Unit: NT \$thousands

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.	Xiajing Co., Ltd.	Subsidiaries to associates	Sales	\$133,235	11.43%	Receipt according to contract terms	-	-	20,323	25.78%

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			Percentage of the consolidated net revenue or total assets
				Account	Amount	Payment terms	
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Sales revenue	99,459	The cost-plus pricing is applied for each item.	5.61%
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Accounts receivable-related parties	21,086	Net 60 after delivery	0.68%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Sales revenue	43,962	The cost-plus pricing is applied for each item.	2.48%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Accounts receivable-related parties	7,507	Net 60 EOM	0.24%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Other receivable-related parties	50,000	Loans of funds	1.60%
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Sales revenue	11,858	The cost-plus pricing is applied for each item.	0.67%
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Accounts receivable-related parties	3,921	Net 60 EOM	0.13%
0	Billion Electric Co., Ltd.	Sheng Chuang Energy Co., Ltd.	1	Sales revenue	10,162	The cost-plus pricing is applied for each item.	0.57%
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	1	Other receivable-related parties	40,000	Loans of funds	1.28%
1	Billion Watts Technologies Co., Ltd.	Billion EVC Technologies Co., Ltd.	3	Purchase	6,805	The cost-plus pricing is applied for each item.	0.38 %
1	Billion Watts Technologies Co., Ltd.	Billion Electric Co., Ltd.	2	Other Income	35,724	According to the service agreement	2.02%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered in order starting from 1.

Note 2: The type of relationship with the trader is marked as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for sales and accounts receivable, and the corresponding purchases and accounts payable are not disclosed.

Note 4: The above transactions have been eliminated in 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%	188,597	2,864	2,628	Note 2
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%	280,908	59,801	37,566	Note 2
Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Taiwan	Energy Storage Sales business	36,861	80,000	3,686	100.00%	31,460	(5,488)	(5,488)	Note 2
Billion Electric Co., Ltd.	Pacific Solar Limited	Seychelles	International investment	-	-	650	100.00%	-	-	-	
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%	23,316	2,020	1,032	Note 2
Billion Electric Co., Ltd.	Billion Electric Holding Co., Ltd.	Taiwan	Investment company	12,000	12,000	1,200	100.00%	884	(84)	(84)	Note 2
Billion Electric Co., Ltd.	Billion EV Charging Technologies Co., Ltd.	Taiwan	Community charging piles and energy storage supply services	15,051	47,794	2,200	100.00%	44	(121)	(121)	Note 2
Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Taiwan	Solar Energy Design, manufacture, construction and sales of power plan	20,000	20,000	2,000	100.00%	21,236	3,066	3,066	Note 2
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%	22,255	(39,316)	(2,060)	Note 1
Billion Electric Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Energy storage sales business	-	10,626	-	-%	-	(4,742)	(994)	Note 2

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%	182,764	(32,894)	(21,218)	Note 2
Billion Electric Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Energy Storage Sales business	-	48,601	-	-%	-	(13)	(13)	Note 2
BEC Technologies Inc.	BEC International, LLC	U.S.A.	International investment	40,996	40,996	-	100.00%	67,234	2,205	2,205	Note 2
BEC Technologies Inc.	Avantek Systems PTE. LTD	Singapore	Cloud software management services	8,220 (USD 270)	8,852 (USD 270)	270	75.00%	7,427	(1,074)	(805)	Note 2
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%	6,882	2,938	1,498	Note 2
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Taiwan	Development of energy storage project	2,000	100	200	20.00%	1,958	(201)	(191)	Note 1
Billion Watts Technologies Co., Ltd.	Billion Eelectric Japan Co., Ltd.	Japan	Energy storage sales business	3,494	-	5	100.00%	(394)	(4,742)	(3,748)	Note 2
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Australia	Energy storage sales business	20,038 (AUD1,032)	-	1,032	100.00%	26,601	5,811	5,811	Note 2
Billion Watts Technologies Co., Ltd.	Billion AU Holding Ltd.	Australia	Energy storage sales business	-	-	-	100.00%	-	-	-	-
Billion Watts Technologies Co., Ltd.	Susen Green Energy Co., Ltd.	Taiwan	Energy storage sales business	8,000	-	800	40.00%	8,000	-	-	Note 1
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd.	Japan	Energy storage sales business	-	-	-	100.00%	-	-	-	-
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd.	Australia	Energy storage sales business	20,752 (AUD1,032)	-	1,032	30.80%	20,219	(1,716)	(1,413)	Note 1

Note 1: The investee company is evaluated by the equity method.

Note 2: The transactions have been eliminated in the consolidated financial statements.

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

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14. Segment information

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

	For the three months ended September 30, 2025				
	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 87,196	39,834	268,897	-	395,297
Inter-segment revenue	38,669	616	13,868	(53,153)	-
Total revenue	\$ 125,865	40,450	282,765	(53,153)	395,297
Reportable segment profit or loss	\$ 27,819	3,716	33,126	(5,028)	59,633
Share of profit (loss) of associate accounted for using the equity method					(1,124)
Net profit before tax					\$ 58,509

	For the three months ended September 30, 2024				
	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 63,842	37,317	436,630	-	537,789
Inter-segment revenue	31,702	6,329	11,760	(49,791)	-
Total revenue	\$ 95,544	43,646	448,390	(49,791)	537,789
Reportable segment profit or loss	\$ (8,878)	2,011	(35,444)	4,940	(37,371)
Share of profit (loss) of associate accounted for using the equity method					(1,293)
Net profit before tax					\$ (38,664)

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

For the nine months ended September 30, 2025

	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 255,634	120,604	1,396,212	-	1,772,450
Inter-segment revenue	99,690	1,221	75,950	(176,861)	-
Total revenue	\$ 355,324	121,825	1,472,162	(176,861)	1,772,450
Reportable segment profit or loss	\$ 15,955	15,727	38,889	(3,946)	66,625
Share of profit (loss) of associate accounted for using the equity method					(2,198)
Net profit before tax					\$ 64,427

For the nine months ended September 30, 2024

	Communications	Power	Renewable Energy	Reconciliation and eliminations	Total
Revenue from external customers	\$ 185,980	110,272	1,207,091	-	1,503,343
Inter-segment revenue	86,664	7,786	53,233	(147,683)	-
Total revenue	\$ 272,644	118,058	1,260,324	(147,683)	1,503,343
Reportable segment profit or loss	\$ (44,370)	(3,230)	66,289	6,588	25,277
Share of profit (loss) of associate accounted for using the equity method					(1,941)
Net profit before tax					\$ 23,336

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